



2005-2015 Capital Plan Instructions

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2005-2015 CAPITAL PLAN INSTRUCTIONS

Submittal Dates and Contacts

Submittal Dates

July 1, 2004 – Predesigns due to the Office of Financial Management

July 23, 2004 – Cash Flow Plans due to the State Treasurer (see Section 8)

September 10, 2004 – Ten-Year Capital Plans due to the Office of Financial Management

Office of Financial Management Capital Budget Staff Contacts

If you have questions about these instructions or specific capital budget requests, contact a member of the Office of Financial Management (OFM) Capital Budget Section:

Analyst Assignment List

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Mike Roberts, Senior Budget Assistant, (360) 902-0529, mike.roberts@ofm.wa.gov

Submittal Dates and Contacts

Questions about specific capital budget requests and performance measures may also be directed to your agency's Operating Budget Assistant in OFM.

Other Contacts

<u>Issue</u>	<u>Contact</u>
Capital Budgeting System (CBS)	Vicki Rummig , OFM (360) 725-5268 vicki.rummig@ofm.wa.gov
Operations and maintenance for habitat and recreation land acquisition requests	Jim Skalski , OFM (360) 902-0654 jim.skalski@ofm.wa.gov
Growth Management Act compliance and local government contacts	David Andersen , Department of Community, Trade, and Economic Development (360) 725-3052 davida@cted.wa.gov
Bond Fund Cash Flow Plans	Svein Braseth , Office of the State Treasurer (360) 902-9025 svein@tre.wa.gov
Certificates of Participation	Kristi Wolgamot , Office of the State Treasurer (360) 902-9020 Kristi@tre.wa.gov
Sustainable practices	Lynn Helbrecht , Governor's Sustainability Coordinator, OFM (360) 902-0557 lynn.helbrecht@ofm.wa.gov
Plant Operations Support Consortium, energy conservation, and LEED™	Engineering and Architectural Services (E&AS) at the Department of General Administration (360) 902-7272
Additional copies of the Capital Budget Instructions	OFM at (360) 902-0560 or the OFM web site at http://www.ofm.wa.gov/budget/instructions/capital.htm



SECTION 1

Summary of the Capital Planning Process

This section of the Capital Budget Instructions provides a general overview of the capital planning process. Detailed instructions about the specific steps state agencies and institutions should take to develop their Ten-Year Capital Plans are contained in the next sections and the appendices that follow. Unless specifically noted, the words “agency” and “agencies” as used in this document also include institutions of higher education seeking capital budget funding.

1.1 The strategic framework for budget decisions



The 2003-05 budget process created a new strategic framework

Governor Locke’s Priorities of Government approach for developing the 2003-05 operating budget created a strategic framework for Washington State government. This framework will be used in developing a statewide capital budget strategy. It starts with several basic questions:

- What are the results that citizens expect from government?
- What strategies are most effective in achieving those results?
- Given the money available, which activities should we buy to implement those strategies?
- How will we measure progress?

Statewide results that citizens most expect

For development of the 2005-07 budget, 11 critical statewide results have been identified that citizens expect from government. These results are listed in the table below.

Statewide Results
<ol style="list-style-type: none">1. Improve student achievement in elementary, middle and high schools2. Improve the quality and productivity of the workforce3. Improve the value of a state college or university education4. Improve the health of Washington citizens5. Improve the security of Washington’s vulnerable children and adults6. Improve the economic vitality of businesses and individuals7. Improve statewide mobility of people, goods, information and energy8. Improve the safety of people and property9. Improve the quality of Washington’s natural resources10. Improve cultural and recreational opportunities throughout the state11. Improve the ability of state government to achieve results efficiently and effectively

In the 2005-07 operating budget instructions, we asked agencies to display their budget submittal by activity (as defined in the agency activity inventory) and to show how each activity supports these statewide results. For more information, refer to the instructions at <http://www.ofm.wa.gov/budget/instructions/contents.htm>

You can also find data on key high-level indicators of success for each result area on the Priorities of Government page on OFM's web site at <http://www.ofm.wa.gov/budget/pog/overview.htm>.

Linking the agency's capital plan to statewide results

As in the past, we ask that the ten-year capital plan include the agency mission, the goals and objectives that define where the agency wants to be, and how the capital plan supports this mission.

This year, we also want to better understand how each agency's capital plan links and contributes to its strategic plan and to the statewide result priorities and activities.

Persuasive capital plans address agency and statewide priorities

The budget is one of the most important tools for implementing policy and achieving results. In its review of agency operating and capital budget requests, OFM will ask these key questions:

- What are the most effective strategies and activities in which to invest?
- How do we know we are purchasing these activities at the best possible price?
- Given financial or other constraints, how can we maximize the results that citizens want?

The best capital budget proposals are persuasive not only at the agency level but within the broader statewide context that the Governor and Legislature must consider in making decisions. Proposals that discuss the value and benefits of the outcomes they intend to deliver to the state will make a stronger case.

1.2 What is a Capital Project?

What is a capital project?

The term “capital project” identifies specific construction activities based on the **cost and longevity** (useful life) of the work to be accomplished. Capital projects involve construction of either new facilities or significant, long-term renewal improvements to existing facilities. Capital projects are funded in agency capital budgets from funds specifically set aside for capital purposes, such as highway and other dedicated funds, and the proceeds of bond sales or other long-term financing contracts. Grants funded in the capital budget are also considered capital projects.

When used separately, the term “project” in these instructions identifies a line-item appropriation title. For example, the appropriation titles “Special Commitment Center,” and “Legislative Buildings: Safety and Infrastructure” are each “projects.” However, the “Legislative Buildings: Safety and Infrastructure” project has several sub-projects (such as “Cherberg Building: Replace Roof” and “Legislative Building: Sandstone/North Steps”) within the appropriation title.

Capital projects are usually constructed by private contractors and involve an architect or engineer. Construction management is sometimes required, and for larger projects, a value engineering analysis and constructability review are performed during the design phase.

Capital project classifications

Capital projects are classified as preservation, programmatic, or grant projects based on their intended purpose:

Preservation projects change efficiency of use and may enhance program delivery. They do not change program use.

- **Preservation** projects maintain, preserve, and extend the life of existing state facilities and assets and do not significantly change the program use of a facility. Examples include renovating building systems and finishes, upgrading utility systems, and repairing streets and parking lots, etc. Projects undertaken to preserve existing assets will be reviewed and compared on a technical basis so that the most urgently needed work is financed first. Preservation category projects will not be driven by or result in significant program impacts, and may have little effect on future operating programs and budgets, except for reductions in the agency's maintenance costs and the deferred maintenance backlog.

Program projects change use or provide new space for new program goals.

- **Program** projects primarily achieve a program goal, such as changing or improving an existing space to new program requirements, or creating a new facility or asset through construction, lease, and/or purchase. This category is quite

broad, is less concerned with life extension of a facility, and includes projects ranging from building new facilities to significant renovation of existing facilities. Program projects may also improve conditions, accommodate changes in services or clientele, or increase or maintain federal reimbursement. Program projects must be tied to the statewide results and the agency's strategic plan by identifying the goals, strategies, and activities supported by the project.

Grant projects provide capital appropriations to state, tribal, local, or community organizations for special facilities.

- **Grant** projects provide capital appropriations to state, tribal, local, or community organizations for special facilities. In general, grant programs are either established in statute or have specific legislative provisions associated with the dispensation of the appropriated funds. Agencies who have statutory grant programs should submit ten-year capital budget requests within the limits established by statute. Agencies whose grant programs have no specified appropriation limits should submit two-year biennial appropriation requests based on their historical biennial expenditure history for the grants. Grant projects should be linked to the statewide results, the agency's strategic plan, and activities.

Ordinary or normal maintenance is usually not in the capital budget

Given the short useful life of repairs or maintenance work, costs for ordinary or normal maintenance usually are not included in the capital budget. Ordinary or normal maintenance are small, temporary, or routine repairs necessary to keep an existing facility or asset in useful condition for its function and occupants. The work maintains or preserves the usefulness of an asset rather than changing or significantly improving it, and there is usually little or no effect on operating costs of the facility at the completion of the work.

Usually, minor repairs or maintenance work can be done by agency trades staff or by private contractors, and there is generally no need for involvement of an architect or engineer.

1.3 The Basic Framework of the Ten-Year Capital Program

Agencies are required to submit ten-year capital plans



The Washington State Budget and Accounting Act (RCW 43.88) mandates a long-range approach to capital budget planning. The Act requires state agencies and institutions to submit a plan of proposed capital spending for a ten-year period, starting with the ensuing biennium. This long-range planning is designed to identify future issues and capital projects proposed to address those issues. The Ten-Year Capital Plan must support the agency's mission and the goals and objectives of its strategic plan. Information on each

project should discuss the project's link to the statewide results and what activities are supported.

The Governor's Capital Plan

The Governor will propose a Ten-Year Capital plan based on agency proposals and policy considerations. Projects included in the first biennium of the plan will constitute the Governor's capital budget. The Governor's Ten-Year Capital Plan will be submitted to the Legislature in December 2004.

Plans should describe construction and long-term operations and maintenance costs

The ten-year planning process recognizes that major capital projects span several biennia from start to finish. In many cases, capital budget decisions precede the implementation of operating programs with facility requirements by several years. For this reason, it is essential that decision makers be able to determine how today's capital budget decisions will affect state programs and operating costs in the future. In the ten-year plans, project information needs to include estimates for operating and maintenance costs, including any debt service that must be paid.

As in previous years, the Capital Plan Instructions recognize that certainty about state programs declines as agencies look further into the future. Therefore, the last four years of the capital plan need not contain the same level of project detail as the first six years. Requests for the last four years may be grouped into types of projects intended to accomplish general purposes such as preservation, additional space, conversion of existing space, and other capital needs if specific projects have not been identified.

Classifying capital projects aids decision making

The three main classifications of capital projects – preservation, program, and grant projects – provide a framework within which projects can be compared and selected. The three categories are discussed in Section 1.2.

Agencies must prioritize projects in two ways

Capital projects for the Ten-Year Capital Plan should be prioritized in two ways. First, prioritize projects in their order of contribution to the goals, objectives, strategies, and activities outlined in the agency's strategic plan. Second, prioritize projects using the OFM priority structure listed below. By cross-referencing these two lists, OFM can assess how agency priorities relate to a statewide capital budget strategy.

OFM's project priority structure

OFM's project priority structure includes:

Protection of people – Projects that alleviate health hazards or reduce risks to staff or the public.

Protection of assets – Projects that protect state assets or address site-specific emergencies where system failures and existing conditions require an immediate response to alleviate future damage to property, and may include actions that are the result of natural disaster, fire, accident, or court order.

Protection of the environment – Projects that reduce, repair, or prevent environmental damage.

Cost savings – Projects that reduce the cost of service delivery (particularly maintenance and/or staff) or that create or enhance a revenue stream that recovers the project cost within seven years.

Program need or requirement – Projects that accommodate new programs, improve service delivery, maximize federal aid, or meet space needs that are the result of program changes.

Grant – Projects that provide capital funding to state, tribal, local, or community organizations for development of special facilities.

1.4 The Ten-Year Capital Plan Submittal

Submittals are due by September 10, 2004

The Ten-Year Capital Plan is submitted electronically in the Capital Budgeting System (CBS) and five hard copies are to be sent to the Office of Financial Management (OFM) by **September 10, 2004**. Electronic files of the narrative materials are requested on a CD in Microsoft Office format. **Any changes to an agency's capital plan after original submission must be submitted both as hard copy and through CBS.**

Address submittals to:

Moya McKeehan or Craig Olson
Office of Financial Management
P.O. Box 43113
Room 301, Insurance Building
Olympia, WA 98504-3113

Electronic submission of data through the CBS is required

The CBS is an internet-based application for state agencies to use as a tool for analysis of internal options, sharing with stakeholders, and submission to OFM. Submission through the CBS is not intended to replace submission of a paper capital plan. The reporting feature of

the CBS offers some of the documentation needed for the paper submittal. Other information will be required in a paper-only format. If you have questions, contact Vicki Rummig at (360) 725-5268 or Vicki.rummig@ofm.wa.gov.

The CBS is available through two web sites. For users with access to the statewide Intranet, the address is <http://bass.ofm.wa.gov/basspr/>. If you cannot access this site or <http://swfs.ofm.wa.gov/>, you do not have access to the statewide Intranet and will need to access it through the secured Fortress server.



To access the system through our Fortress server, the address is <https://services-bass.ofm.wa.gov/basspr/>. You will need special access to use it. The BASS Security Authorization Form has a selection, Statewide Intranet Access, to request access to the Fortress server. (See Appendix D for an example of the authorization form.)

Electronic submission of capital budget data is required through the BASS Data Release. Data release access is granted separately from CBS access. Having access to CBS does not necessarily mean you have authorization to electronically release data. The Agency Access Reports are available within BASS to review established security by user in your agency.

Sections in the Ten-Year Capital Plan

The Ten-Year Capital Plan is divided into six sections which comprise most requests:

- narrative
- preservation
- programmatic
- grants
- alternate financed
- FTE summary

The agency capital narrative provides a linkage to the Priorities of Government statewide results, the agency's mission and strategic plan, its capital facilities and their condition, and the activities and performance measures in the operating budget. The capital narrative should:

- Link to the Priorities of Government statewide results
- Link to the strategic plan and/or how the project accommodates the plan's strategies, activities, and performance measures.
- Be consistent with operating budget requests.
- Describe why these projects are the preferred alternative and how these projects address the described need.

- Briefly describe alternatives considered and consequences of deferral.
- Include updated information about each project, and describe major changes from the Governor's 2003-2013 Capital Plan.
- Explain expected policy initiatives in the next decade.

After the narrative, include a C1 (Ten-Year Capital Program Summary) printed from CBS listing the projects in the Ten-Year Plan in agency priority order.

Preservation budget request describes those proposed projects intended to preserve, protect, and extend the life of existing physical assets. This section of the Ten-Year Capital Plan should contain a brief narrative describing the process used by the agency to select the projects. The narrative should clearly describe how projects are identified and prioritized among agency programs or locations.

The preservation request should be based on the backlog reduction plan that is further described in Section 11. Each preservation request also needs to include narrative regarding:

- Ties to strategic direction and activities from the agency's activity inventory.
- Link to the statewide results.
- Program impact of deferral.
- Alternatives of reinvestment (preservation vs. replacement) if preservation costs exceed 50 percent of the value of the asset being maintained.

Program budget request lists those projects necessary to address program needs. The request should support the statewide results and the agency's strategic plan, strategies, activities, and performance measures. This section of the Ten-Year Capital Plan should contain a brief narrative describing the process used by the agency to select the projects. The narrative should clearly describe how projects are identified and prioritized among agency programs or locations.

Grant budget request also identifies the link to statewide results and the agency's strategic plan, strategies, activities, and performance measures. This section of the Ten-Year Capital Plan should contain a brief narrative describing the process used by the agency to select the projects. The narrative should clearly describe how projects are identified and prioritized among agency programs or locations.

Alternate financing request identifies those proposed projects involving contractual arrangements for space or facilities. Alternate financing requests for leases must be supported by an economic

analysis based on the lease versus purchase decision model. Lease or debt service costs should be requested as part of an agency's operating budget during the biennium in which they occur.

Capital budget FTE summary displays actual staff and expenditures charged to capital projects in the 2003-05 Biennium and proposed staff and expenditures in the 2005-07 Biennium. Policy guidelines for administrative and staff costs in the capital budget are contained in Section 5. CBS provides data entry and produces this report.

Schematic Arrangement of Washington State Capital Plan Forms

Basic Arrangement

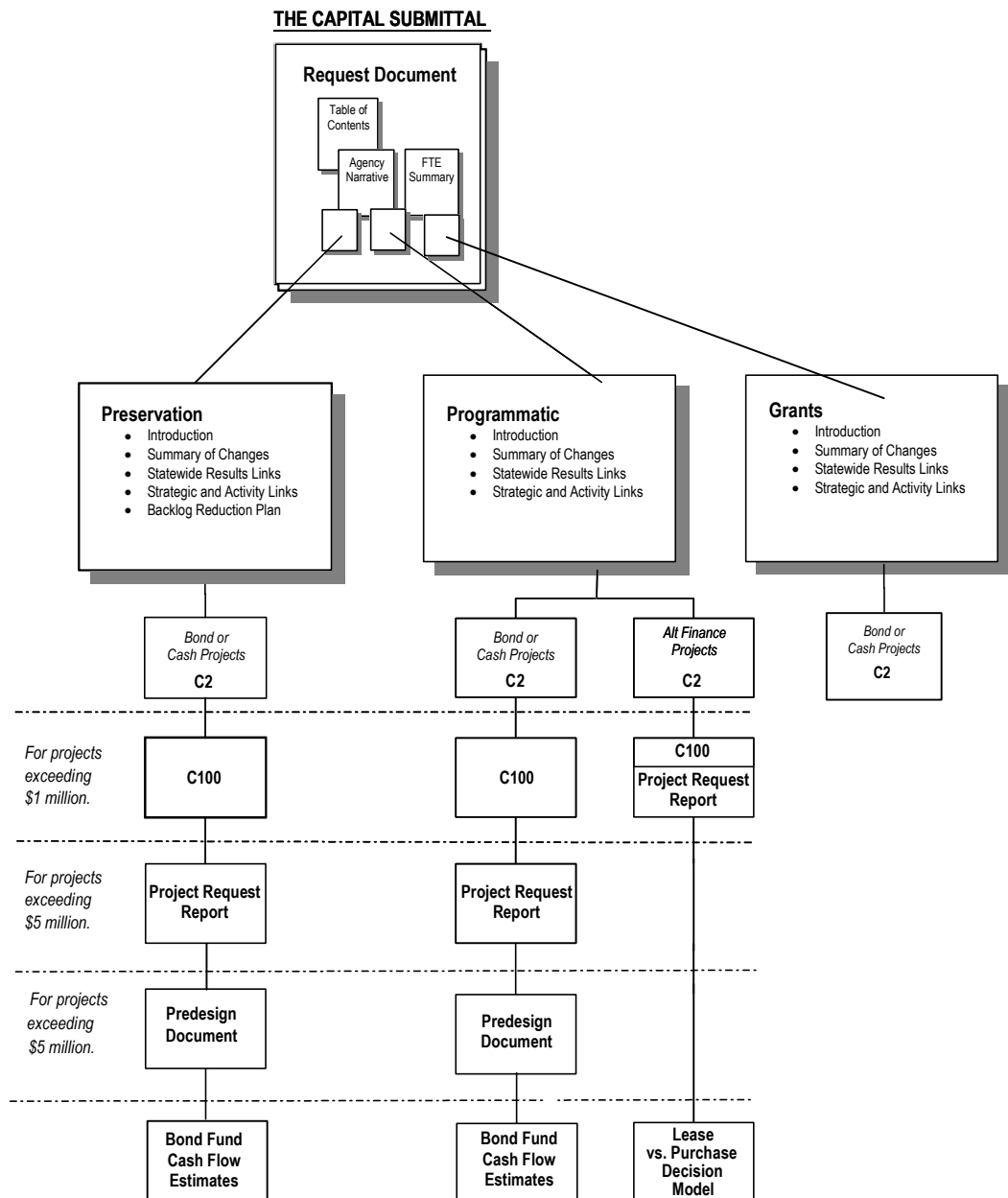
The Ten-Year Capital Plan is divided into six sections which comprise most requests:

- Narrative
- Preservation
- Programmatic
- Grants
- Alternate Financing
- FTE Summary

The Capital Plan must include a table of contents and a narrative describing agency strategic direction, and how the request ties to that direction.

Each section includes a narrative introduction describing how the projects in the section were selected by the agency, and a Capital Program Summary listing all projects in the section in priority order.

Alternate financed project requests may require analysis from the Lease vs. Purchase Decision Model.



A form **C2**, Capital Project Request, is completed for each project in each section, and produced through electronic submittal in the Capital Budgeting System (CBS). Where necessary, carefully selected additional information is attached to the C2. Present the forms in agency priority order proposed for implementation in each of the next five biennia.

A form **C100**, Capital Project Cost Estimate, must be completed for each project costing \$1 million or more.

A **Project Request Report** must be prepared for each major capital project with a total cost of \$5 million or more and each alternate financed project with a total cost of \$1 million or more.

A **Predesign Document** (including an updated Form C100 and a predesign C2) must be prepared for each major project with a total cost of \$5 million or more.

The **Bond Fund Cash Flow Estimate** must be submitted, as detailed in Section 8.



SECTION 2

The Capital Project Request

2.1 Requirements Differ for Different Types of Projects

The different types of projects

There are several different types of capital projects:

- Major capital projects
- Individual projects under \$5 million
- Minor works
- Grants
- Special projects
- Acquisition
- Alternate financed

Different types of projects have different requirements. At a minimum, each capital project should have a form C2 that details the project. The form C2 is produced through electronic submittal in CBS.

Agencies must provide appropriate fund sources

Appropriate funding sources for projects in the capital plan must be identified. Selection of an appropriate fund source should occur after agency priorities are established. The determination of which projects can be supported by the state General Fund, dedicated accounts, bond funds subject to the state's debt limit, or alternate financing source should not dictate what is included in the budget. For short-term improvements, agencies are expected to use cash accounts whenever possible. For larger projects with a long useful life, long-term bond sales or other long-term financing options may be appropriate.

Bond-eligible projects have a dollar limit

OFM has established a dollar cost limit and useful life for capital projects to be eligible for financing from bond proceeds. During the 2005-07 Biennium, the minimum threshold for a project to be eligible for bond financing is set at \$25,000 and 13-year useful life.

2.2 Major Capital Projects

Major capital projects have one or more of the following features: cost more than \$5 million (regardless of fund sources), lease more than 30,000 new gross square feet of space, or take two or three biennia to design, construct, and occupy.

Required elements for major capital projects

Major capital projects:

- Require a form C2, form C100, and a project request report (see Appendix A);
- Must be requested individually through CBS;
- Require a predesign study, unless the project is alternate financed. Feasibility studies, master plans, engineering reports, and other information gathered by the agency should be submitted in support of the predesign request; or
- That are alternate financed require a project request report that includes a comprehensive financing plan (see section 2.6).

If a predesign study is approved by OFM, all requests for design or construction funding must include:

- A project request report previously reviewed by OFM and legislative staff with any updates noted (see Appendix A);
- A completed operating budget decision package that reflects future operating budget impacts;
- A detailed cost estimate submitted electronically (form C100) for design or construction funding requests (the Excel template is available at www.ofm.wa.gov/budget/forms.htm); and
- A comparison of the design elements to the predesign.

Required elements for leases over 30,000 gross square feet

For projects that involve new leases for more than 30,000 new gross square feet, the following requirements apply:

- Agencies must complete a lease/purchase analysis using the Joint Legislative Audit and Review Committee (JLARC) model. Contact the Department of General Administration at (360) 902-7300 for more information.
- The purchase cost used in the analysis must be backed by a C100 cost estimate.
- A completed operating budget decision package, including feasibility studies, master plans, space programming, and operating budget impacts, needs to be submitted.

Three phases for major projects

There are three major phases associated with completion of major capital projects:

Predesign **The predesign phase** is defined as the first phase of a major capital project and is conducted prior to the design phase. Predesign also may be required for projects that have significant policy implications or technical, logistical, or cost concerns to a program or agency. (See OFM Predesign Manual.)

The objective of predesign is to define and balance the elements of the agency's strategic plan, master planning, scope, schedule, budget, and siting by addressing the questions of why, how, where, and when. Predesign involves a disciplined methodology of data collection, analysis, organization, communication, and evaluation through which all the human, physical, and external influences on a facility's design may be explored and generates and discusses alternatives for the project.

Predesign includes those tasks necessary to establish an agency's programmatic, financial, and schedule requirements, as well as limitations for a project. It does *not* include tasks such as master planning, ADA evaluations, or historical documentation. Predesign is the first step in the major project planning process. It lays the foundation of information to enable the Governor and Legislature to evaluate how the project matches the agency's programmatic needs. Following approval, the predesign then allows the designer to respond effectively and economically to an agency's program requirements within the parameters defined for the facility.

Predesign studies must comply with the standards identified in the OFM Predesign Manual, revised in June 2001. Predesign studies for which design or construction funds will be requested in 2005-07 are due to OFM no later than July 1, 2004. Failure to meet this deadline may affect the inclusion of the project in the 2005-07 capital budget.

Design **The design process** incorporates all prior predesign or information from the administering agency into written and graphic documents. These documents form the basis for taking bids and constructing the facility. In the design phase, the needs, ideas and proposals of the agency are transformed into plans and specifications.

Normally, the design phase consists of three basic parts, each of which includes preparation of both drawings and written specifications:

- Schematic design
- Design development
- Construction documents

For most construction projects, an architect/engineer (A/E) assumes overall responsibility as the owner's agent for the design, bid, and construction observation functions. This includes ensuring that the project is completed within the limits of an established budget. The A/E also coordinates the activity of other design professionals working on the project.

Construction **The construction phase** transforms the needs, ideas, and proposals of the agency, as defined by the plans and specifications, into a physical structure. The construction phase begins with the bid and continues to final acceptance of the construction project. Upon completion and approval of the final construction documents, including the bidding requirements, the project is ready to be released to contractors to obtain proposals or bids.

Sustainable design



In 2002, Governor Locke signed Executive Order 02-03, Sustainable Practices by State Agencies. This executive order directed state agencies to develop sustainability objectives and to develop a sustainability plan, aimed at modifying their practices regarding resource consumption; vehicle use; purchase of goods and services; and facility construction, operation and maintenance. In 2004, Governor Locke signed Executive Order 04-01, Persistent Toxic Chemicals, that directed, among other things, each state agency, as part of its sustainability plan, to adopt measures to reduce the use of equipment, supplies, and other products that contain persistent, toxic chemicals.

Sustainable or “green building” design and construction is an important way for state agencies to meet the objectives of these executive orders.

Sustainable design and construction is a holistic approach that minimizes environmental impact, reduces maintenance, and creates a more desirable workspace for the occupants. Sustainable building focuses on siting issues, energy and water efficiency, recycled content building materials, minimizing local and global environmental effects caused by buildings, and indoor environmental quality.

Agencies seeking predesign funding for major projects in 2005-07 are encouraged to design sustainable facilities to achieve a minimum of a U.S. Green Building Council LEED™ (Leadership in Energy and Environmental Design) Silver Standard or an equivalent standard. For projects over \$5 million, a sustainable design charrette during the predesign will be required. Projects entering the design phase in the 2005-07 Biennium also are encouraged to be designed using sustainable building principles to achieve a minimum of a LEED™ Silver Standard or equivalent standard.

To better understand how the state’s construction program measures up to a sustainable standard, OFM will begin collecting data on all major projects seeking allotment of construction funds in the 2005-07 Biennium. As part of the allotment process, OFM will require agencies to provide a self-assessment of the project and discuss the strategies used during design. Projects not meeting a sustainable standard will be required to provide reasons why the standard was not met.

Additional information on sustainability can be obtained from <http://www.ofm.wa.gov/sustainability/links.htm>; the Governor's sustainability coordinator, Lynn Helbrecht, at (360) 902-0557; and the Department of General Administration's Engineering and Architectural Services Energy Section at (360) 902-7272.

2.3 Individual Projects Under \$5 Million

Required elements for projects between \$1 million and \$5 million

Programmatic projects under \$5 million should include a predesign study when the project has significant policy implications or technical, logistical, or cost concerns to a program or agency. For these smaller-valued projects, predesign, design, and construction funds may be requested together in one appropriation. A review by OFM staff prior to the submittal of the capital plan is recommended if a project appears to fit within this category. Preservation projects under \$5 million do not require a predesign study. However, many of the steps contained in a predesign study are useful in generating information and options necessary for analysis of any project.

The following applies to projects between \$1 million and \$5 million:

- They must be requested individually and submitted through CBS.
- Predesign studies may be required for programmatic projects.
- Form C100 must be submitted for design and construction funding requests.
- Alternate financed projects require a project request report that includes a comprehensive financing plan (see section 2.6).

Required elements for projects between \$25,000 and \$1 million

Individual capital projects with an estimated value between \$25,000 and \$1 million are requested on a form C2. Form C100 can be included if details are known. The following applies to these projects:

- Projects that affect policy or are particularly sensitive must be requested individually.
- A narrative description and justification for the projects must be provided.
- Agencies may be required to provide additional justification on these projects during the executive and legislative budgeting process.

2.4 Minor Works Projects

Consolidate smaller projects

Management of small and related capital projects is more efficient under one larger capital appropriation rather than several smaller individual appropriations every few years and is an effective capital budget strategy (especially for preservation projects). Agencies should consolidate smaller projects into minor works project requests and, whenever possible, minor works project requests should incorporate all small improvements, renovations, and upgrades necessary at a specific facility for the foreseeable future.

Minor works requests



Minor works project requests are single line appropriations that include multiple projects valued between \$25,000 and \$1 million each, are of a similar nature, and can generally be completed within two years. Minor works appropriations shall not be used for studies, except for technical or engineering reviews or designs that lead directly to and support a project on the same minor works list; planning; design outside the scope of work on a minor works list; moveable, temporary, and traditionally funded operating equipment not in compliance with the equipment criteria in Section 4.3; software not dedicated to control of a specialized system; moving expenses; land or facility acquisition; or to supplement funding for projects with funding shortfalls. Exceptions to these criteria may be approved by OFM after legislative consultation.

Minor works categories

In conjunction with a study conducted by the Joint Legislative Audit and Review Committee (JLARC), the minor works categories have been standardized. Agencies should submit C2s and project lists based on these categories:

1. Health, safety, and code requirements;
2. Facility preservation;
3. Infrastructure preservation; and
4. Program.

These categories are defined in Section 3.1, and agencies should submit separate minor works requests for each relevant category through CBS. Improvements for accessibility in compliance with the Americans with Disabilities Act may be included in any of the above minor works projects.

2.5 Grants, Special Projects, and Acquisition

Grants and special projects

Grants and special projects are single-line appropriations that may include multiple, smaller sub-projects. Grant project requests require a form C2 that details the request and may require a list of grantees and project names.

Emergency funds

Emergency funds may be requested as a capital project based on prior spending history within the agency. A clear description of the process used to allocate funds to specific projects should be attached, and amounts provided for this purpose and their use in the last three biennia identified. Emergency repairs shall only be used for unanticipated building or infrastructure repairs for the immediate protection of capital assets and protection of health and safety. Emergency funds are not to be used for routine maintenance.

Acquisition

Capital project requests for land and/or property acquisition activities should include an attachment to the C2 form that provides the following information:

- The result of the agency analysis that ensures that the land and/or facility proposed for acquisition will meet agency and program needs, including support of statewide results and activities. Be sure to identify its specific use.
- The result of an environmental review and engineering inspection of the property that ensures its suitability in terms of condition and location. (This requirement does not pertain to habitat acquisition.)
- The proposal for financing improvements.

Identification of the long-term future operating costs associated with the acquisition.

Property acquisition costs should include the cost of purchasing sites or facilities and all attendant costs necessary to prepare the property for agency use. The costs of site improvements, right of way, or conditions of the purchase must be included in the cost of acquisition if such items are required in order to use the property for its intended purpose.

O&M costs for habitat and recreation land acquisitions

RCW 43.88.030 requires agencies proposing the acquisition of land or capital improvement of land for which the primary purpose is recreation or wildlife habitat conservation to identify the projected costs of operation and maintenance for at least the two biennia succeeding the next biennium. Minor works project lists of habitat

and recreation land acquisitions must include individual project cost estimates for operation and maintenance as well as a total for all state projects included in the list, identifying the fund source from which these costs are proposed to be paid. For additional instructions on reporting this information, contact Jim Skalski, OFM, at (360) 902-0654.

2.6 Alternate Financed Projects

Alternate financed projects are included in capital plan

Capital projects that are funded by alternate financing mechanisms are identified in the Ten-Year Capital Plan (and displayed in the biennial capital budget) because they represent long-term occupancy proposals and result in long-term costs.

The definition of “financing contracts,” as contained in RCW 39.94.020, means “any contract entered into by the state for itself or on behalf of another agency which provides for the use and purchase of real or personal property by the state and provides for payment by the state over a term of more than one year, and which provides that title to the subject property may secure performance of the state or transfer to the state or an other agency by the end of the term, upon exercise of an option, for a nominal amount or for a price determined without reference to fair market valued.”

Included in this broad category of alternate financing requests are the following:

- **Major leases** involving more than **30,000 new gross square feet of space**.
- **Lease development** projects that involve construction or renovation of a privately financed building of more than 30,000 gross square feet for purposes of state use or occupancy.
- Construction or renovation projects that are financed by **Certificates of Participation (COPs)**.
- **Other alternate financing** proposals include the development or use of space by state agencies through a contractual arrangement with a developer or financing entity. The sale of debt obligations or COPs through the State Treasurer may be involved, or financing may be offered by a private developer. Title to the property involved may transfer to the state either upon exercise of an option or at the termination of the contract.

Required elements for alternate financed projects

Requirements for alternate financed projects include:

- Form C2.
- Form C100.
- Comprehensive financing plan that documents the flow of revenues and expenditures, and demonstrates that sufficient fund balance exists in the dedicated accounts used for payment of debt service. Include all fund sources and discuss the funding for operating costs for new or remodeled structures.
- Project Request Report for projects over \$1 million.
- Operating budget decision package for debt service.
- Lease versus purchase analysis for any long-term lease request.

2.7 How OFM will Evaluate Project Requests



Evaluation of capital budget project requests may include, but not be limited to, analysis based on the following criteria:

Program projects:

- Linkage to the strategic plan and/or how the project accommodates strategic direction, goals, and objectives.
- Linkage to the agency's activity inventory and performance measures.
- Linkage to the Priorities of Government (POG) statewide results and activities.
- Is the project consistent with operating budget requests?
- Why is this project the preferred alternative?
- How does this project address the described need?
- What is the cost of the project in relation to other projects of a similar nature? Baseline can come from projects both within and outside of Washington State.

Preservation projects:

- Linkage to the strategic plan and/or how the project accommodates strategic direction, goals, and objectives.
- Linkage to the agency's activity inventory and performance measures.
- Linkage to the Priorities of Government (POG) statewide results and activities.
- Program impact of deferral.

- Maintenance history.
- Condition of asset as described in the facility inventory system (FIS).
- Accurate and up to date information in the FIS.
- Cost of preservation versus replacement.
- Relationship to deferred maintenance backlog reduction plan.

Grant projects:

- Linkage to the strategic plan and/or how the project accommodates strategic direction, goals, and objectives.
- Linkage to the agency's activity inventory and performance measures.
- Linkage to the Priorities of Government (POG) statewide results and activities.
- Statutory requirements and limitations.
- Overall budget limitations.

Alternate financed projects:

- Linkage to the strategic plan and/or how the project accommodates strategic direction, goals, and objectives.
- Linkage to the agency's activity inventory and performance measures.
- Linkage to the Priorities of Government (POG) statewide results and activities.
- Comprehensive financing plan.



SECTION 3

Using the Capital Budgeting System and C100

3.1 Using the Capital Budgeting System

The following is a summary of the Capital Budgeting System (CBS) and is not intended to train you on its use or replace the CBS tutorial, which is a separate document.

Data element descriptions

CREATE PROJECT

Project title – Titles should convey location, facility name, and type of activity. Location is the site or complex name. Type of activity is a word or phrase that describes what you are proposing. Examples of appropriate titles are: "UWB/CCC Cuban History Hall; New Construction" or "Capitol Campus – West Campus; Design and Construct Parking Structure for 3,000 Cars."

Project number – The eight-digit number assigned to the proposed project can be generated automatically by the CBS in three parts. The format is YYYY-C-PPP, where: YYYY corresponds to the starting fiscal year of proposed implementation. C is the project class, and PPP is the unique project identifier within an agency (generally assigned in sequence by CBS and no longer represents priority).

Use the current project number information (starting fiscal year, class, and unique project identifier) if this project is currently listed in the Ten-Year Capital Plan. Enter the starting fiscal year and let CBS assign the unique project identifier for new project requests in the 2005-07 Biennium.

Project class – Represents the classification of each request as discussed in Section 1.2. The class selected serves as the middle digit of the project number.

1. Preservation project
2. Program project
3. Alternate financed project
4. Grant

GENERAL INFORMATION TAB

- **Previous project ID (if previously requested)** – Enter the previous project ID if this project was funded in a previous budget.
- **Is this project compliant with the Growth Management Act** – RCW 43.88.0301 requires several questions to be answered in conjunction with local coordination and the Growth Management Act. These will be handled as part of a paper submittal. See Section 12 for additional information. The Department of Community, Trade, and Economic Development (CTED) is required to assist agencies in answering the questions and is available to direct agencies how and where to obtain information. Contact CTED at (360) 725-3048.



OFM priority – The one-digit number that describes the OFM priority being addressed by this project is entered in the CBS.

1. Protection of people
2. Protection of assets
3. Protection of environment
4. Cost savings
5. Program need or requirement
6. Grant

The project priority structure classes are detailed in Section 1.3 of these instructions.

Project types and categories

Type of project – Select a category that best describes the proposed project.

A numbering system has been adopted for project type:

- 1) Health, Safety and Code Requirements (minor works)
- 2) Facility Preservation (minor works)
- 3) Infrastructure Preservation (minor works)
- 4) Program (minor works)
- 5) Remodel/Renovate/Modernize
- 6) New Facilities/Additions
- 7) Infrastructure
- 8) Grants
- 9) Acquisition-Land
- 10) Acquisition-Facilities
- 11) Alternate Financing
- 12) Special Programs
- 13) Project Management

Health, safety, and code requirements (minor works) are projects whose primary purpose is to correct facility or infrastructure deficiencies or conditions that: (a) adversely affect the health and/or safety of building occupants or users of the facility; or (b) are in violation of federal, state, or local codes or regulations.

Facility preservation (minor works) projects have a primary purpose to correct facility deficiencies or conditions that: (a) adversely affect the ability to utilize a facility or building system for its current programmatic use; (b) reduce the life expectancy of the facility or building system; and/or (c) increase the operating costs of the facility or building group for its current programmatic use.

Infrastructure preservation (minor works) projects have a primary purpose to correct infrastructure deficiencies or conditions that (a) adversely affect the ability to utilize the infrastructure for its current programmatic use; (b) reduce the life expectancy of the infrastructure; and/or (c) increase the operating costs of the infrastructure for its current programmatic use. Infrastructure preservation projects shall be grouped into the following:

- Structures and surface improvements (roads, bridges, sidewalks, curbs, parking lots, water drainage/retention, culverts, retaining walls, tunnels, etc.).
- Site amenities (e.g., landscaping, lighting, etc.).
- Utility systems (outside building footprints).
- Natural environment changes or requirements as part of an environmental regulation.

Program (minor works) projects have a primary purpose to accomplish a program goal including but not limited to: improving the quality of existing space; reconfiguring or altering the use of existing space; and/or adding space. Minor works program projects are intended for incidental expansion of space and not to acquire new facilities. Program projects shall be grouped into agency defined subcategories that are consistent with and reflect the agency's programs, functional activities, and/or departments; the geographic location of facilities; and/or the agency's strategic goals.

Remodel/renovate/modernize – The state accounting guidelines refer to this type of project as "extraordinary repairs, betterment, or improvements." Included within this category are expenditures that increase future benefits from an existing fixed asset beyond its previously assessed standard of performance. Increased future benefits typically include:

- An extension in the asset's estimated life.
- An increase in the capability of an existing fixed asset.
- A substantial improvement in the quality of an asset.

An example of a project in this category is the replacement of the mechanical and electrical systems, which results in the extension of a building's useful life.

New facilities/additions – This project type is used to identify construction of a new structure on either existing property or on property purchased as part of the total project. An addition is a project that expands or extends and is physically linked to an existing fixed asset. An example of an addition is the construction of a new wing for an existing building.

Infrastructure – Projects to create or repair utility or transportation systems, provide for flood control, improve navigable waterways, and improve energy systems are examples of infrastructure improvements.

Grants – Grant projects provide capital appropriations to state, tribal, local, or community organizations for special facilities. In general, grant programs are either established in statute or have specific legislative provisions associated with the dispensation of the appropriated funds.



Acquisition, land – This type of project includes the acquisition of land, but not facilities. An example of an acquisition is the purchase of a tract of land to construct a new facility. Acquisitions should be requested separately from other project requests except where the purchase is part of a new facility or new addition and acquisition costs are included in another project category. This category does not include programs that provide grants for land acquisition.

Acquisition, facilities – Acquisition of a facility generally also includes the land on which the facility exists. Acquisitions should be requested separately from other project requests except when the purchase is part of a new facility or a new addition and acquisition costs are included in another category.

Alternate financing – This category is the acquisition of space (or improvements to existing space) through a contractual agreement where a third party provides the capital facility or is financed by a Certificate of Participation.

Special programs – This includes "project non-specific" programs, such as the Housing Trust Fund Program, various referendum programs, pass-through grants to local governments, etc.

Project management – This category is for agencies that budget project management personnel with a single appropriation. For example, the Department of General Administration funds Engineering and Architectural Services this way. The Department of Social and Health Services also uses this approach.

Description tab

Project published summary – Each project should have a brief description of its purpose, written in complete sentences. This text will be loaded into the OFM BuildSum system and will serve as the starting point for OFM text that describes items funded in the Governor's budget. Strive for succinct, precise, and non-technical text. The text should avoid jargon and acronyms and be clear to an audience that isn't necessarily an expert on the issue.

Project description

Project description – This narrative should briefly describe the nature of the project – why it is necessary, what it is, where it is, and what it will do (e.g., “this project will renovate three wards at Western State Hospital in order to meet fire/safety requirements”) – and identify the increased or new service benefits the agency will be able to provide to the public or its clients. Describe any factors that may place the project schedule at risk such as environmentally sensitive site location, possible presence of archaeological or historical assets, and/or possible contamination of the site or buildings undergoing renovation. Include information on which statewide result is supported by the project and how the project supports agency goals, objectives, and activities.

The Project Description text block in CBS will pre-fill with appropriate questions for each project format. Use these questions as a guide. They may be edited and deleted as necessary to help you write a thorough description of the project.

Reappropriations – Explain the current status of the project, specifically what the reappropriation is to be used for and when the work will be complete. Indicate the number of times that the project funds have been reappropriated and the percentage of the original appropriation that remains unexpended and explain why the appropriation remains unexpended.

Sub-projects and funding tab

This tab is for entering data on how the project is to be funded.

- **Fund code** – Fund code and appropriation type (e.g., 057-1).
- **Estimated total cost (automatically calculated)** – The estimated total escalated cost of the project (for all biennia).
- **Prior biennium expenditures** – Expenditures made through June 30, 2003. (Any historical data used by an agency in preparing its capital budget request must agree with the end-of-biennium actual expenditures as reported through AFRS.)
- **Current biennium expenditures** – All actual and estimated expenditures between July 1, 2003 and June 30, 2005 are identified.
- **Reappropriations** – The estimated amount of the 2003-05 appropriation that will be required for reappropriation in the 2005-07 Biennium. It is important to ensure that current biennium expenditures plus the reappropriation do not exceed the original appropriation authority.
- **New appropriations** – The new appropriation request for the 2005-07 Biennium.
- **Future Biennia** – Any project costs in the four subsequent biennia (including inflation allowances) are shown here.

Operating impact tab

Information about project operating and administration costs and FTEs associated with the project are entered here.

The operating budget costs (or savings) associated with the proposed project, including the cost of staffing, maintaining the facility, and costs to repay debt service is shown here.

Project summary tab

The **Project Summary** tab summarizes the project cost estimates by phase and category from one or more C100 worksheets. This summary can be imported from the Excel C100 template (see Appendix C) created text file or may be hand entered if the template is not available. Imported projects will assume the agency, project number, and project title as defined in the opened project where the import is requested. All information on the **Project Summary** tab will be electronically submitted to the OFM Budget Division.

3.2 Completing Form C100

C100 is a tool

The Capital Project Cost Estimate Form (C100) is a tool to provide assistance in creating a project construction budget. It can also be an analytical tool to help agency management and executive and legislative decision makers understand the costs and other aspects associated with the project. Similarly, it can measure capital construction performance at both the agency and institution level and in a statewide perspective. The C100 is NOT an accounting tool; it does not create lines of cost codes nor does it create an association of funds for payment of the budgeted items. Guidelines for preparing the C100 are in Appendix C.



SECTION 4

Financing Guidelines

Capital projects may be financed by a variety of methods ranging from cash to various forms of long-term debt. The most common financing alternatives and their distinguishing characteristics are described below. Questions about the selection of financing options by the requesting agency or about a specific financing proposal should be referred to your operating or capital budget analyst in OFM.

The use of debt financing allows the state to undertake the development or acquisition of capital assets not affordable within current state revenue. By doing so, the state can realize the benefits of these assets while spreading the cost over a number of years. Debt financing represents the irrevocable commitment of future dollars, and therefore must be evaluated in relationship to the long-term benefits it provides.

Agency needs for new capital assets, as well as preservation and renewal of existing state assets, will always exceed available resources to pay for them. Projects financed with bond funds or other alternative long-term financing should be carefully chosen to reflect the highest priority capital needs for Washington State.

The following OFM guidelines define when it is appropriate to use long-term financing to fund capital improvement projects and related costs and what form of financing is appropriate for different types of projects.

4.1 Methods of Financing



- **Cash** may be used to finance capital projects if sufficient capacity is in the account.
- **General obligation bonds** are the traditional form of government debt financing for major construction projects. The state pledges full faith and credit and taxing power to pay principal and interest. The term of the bond is usually 25 years. The interest paid to investors is exempt from federal income tax and the rates are typically 2 percent below taxable bonds. General obligation bonds are subject to a state debt limit. Legislation authorizing general obligation bonds requires a 60 percent vote by the Legislature.
- **Reimbursable bonds** are a form of general obligation bonds. The difference is the source of payment. Reimbursable bonds are paid from sources other than the general fund. In 1993, reimbursable bonds paid from sources within the state treasury were included under the debt limit and replaced revenue bonds.

Long-term leases are not debt

- **Certificates of participation (COP)** are a form of debt financing contract with individual investors. COPs are sold in the public securities market and the interest earnings are tax-exempt. Debt service payments are made from operating budgets.
- **Lease purchase and lease development** cause a building to be built or substantially remodeled to state specifications by a private developer. In both cases, the developer finances the project and recovers the cost through lease payments. At the end of the lease period, the state may exercise the option to purchase at a predetermined price. There is no tax exemption for the developer and market interest rates prevail.
- **Long-term lease** – The standard lease term employed by the state is five years; however, if an agency has a consistent and stable presence in the location **AND** there is a demonstrated economic advantage to the state, a lease up to ten years may be negotiated and approved by the Department of General Administration (GA). A long-term lease of up to 20 years can be negotiated by GA and must be approved by OFM. Long-term leases are not considered to be a debt of the state, and lease payments are made from agency operating budgets

4.2 Allowable Uses of Long-Term Financing

Acquisition - land and buildings



Expenditures for the acquisition of real property, whether obtained by purchase or by condemnation under the applicable eminent domain laws of the state of Washington, include expenses directly and necessarily related to such purchase or condemnation.

Acquisition expenditures may include the cost of existing structures, such as buildings, facilities, roads, parking areas, and bridges, that improve the real property. Long-term financed land costs may include the following: land and improvement costs, appraisal fees, title opinions, surveying fees, real estate fees, title transfer taxes, easements of record with an extended term, condemnation costs and related legal expenses.

Land purchases should be consistent with agency master plans and reflect actions taken to meet long-term growth needs. Financed land purchases for the purpose of investment or land banking should be avoided.

Consultant services - predesign and design

These are expenditures related to architectural/engineering planning and design required for developing and implementing a specific

capital improvement project (see Appendix B for the Guidelines for Determining Architect/Engineer Fees). They can include preliminary technical studies developed from program statements that reflect the functional characteristics and architectural requirements of a long-term financed capital improvement project (predesign); costs for schematic design and design development; and completion of construction documents and detailed working drawings required for bidding and construction. Also included are costs for “extra and other services,” and reimbursable expenses provided within an executed contract for professional and technical services. Fees for construction management and observation also can be long-term financed as part of the project.

Permit services

Fees for services for environmental or other construction permits required for developing and implementing a specific capital improvement project may be financed long-term as part of the project.

Planning documents not appropriate for bond financing

Expenditures for general long-range development plans, master plans, historical or archeological research, feasibility studies, statements, energy audits or other expenditures similar in character are *not* financed from bonds or other long-term financing. These costs should be contained in the agency's operating budget.

Construction

Site work – Site improvement expenditures include costs related to a financed capital improvement project including demolition, rough and final grading of a site, and the construction or replacement of sidewalks, road and driveway pavement surfaces, bridges, ramps, curbs, overpasses, underpasses, pedestrian bridges and tunnels, surface parking areas, campground development, building terraces, retaining walls, exterior lighting, and seeding or sodding for erosion control. Landscaping costs are financed only if included in a larger financed capital project. Site improvement projects not part of a larger capital project may be financed if the structure or improvement provided is permanent and meets all other tests and requirements of these guidelines. Demolition of buildings, structures, removal of trees and plant material, grading, rerouting utilities, and erosion control are financed when they precede a financed project to be undertaken on the same site. Clearing of land or demolition of vacant buildings is usually financed only in preparation for a financed construction project.

Road work – Long-term financed road work may include construction of a new road or parking lot; extension of a road or parking lot, replacement, reconstruction; or upgrading a road or parking lot to a significantly more permanent surface. Examples

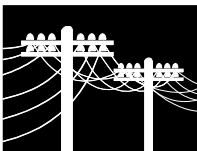
include upgrading from gravel to oil and chip, oil and chip to asphalt, or asphalt to concrete. The financed road project includes all necessary signing, landscaping, erosion control, drainage, lighting, bridges, safety, and control structures. Repairs or resurfacing of existing roads to temporarily extend useful life are not long-term financed.



Facilities preservation – Expenditures for the reconstruction or preservation improvement of existing buildings or structures can be a long-term financed expense. This category includes site developments necessarily required or related to the preparation of a site for reconstruction purposes; and required built-in, special-purpose, or other fixed equipment where such equipment is permanently affixed or connected to real property in such a manner that removal would cause consequent damage to the real property to which it is affixed. Also included in this category are expenditures for the installation or replacement of water control structures such as dams, culverts, aqueducts, drainage systems, locks, spillways, reservoirs, and channel improvements. However, normally recurring expenses associated with water control structure improvements are not financed, unless part of a larger financed project.



Safety and codes – The justification or need for such work determines program and budget priority but does not affect the source of funds to pay for the work. The criteria in these guidelines for interior and utility work will determine whether the proposed safety or code project is long-term financed. Examples of non-financed work, unless included in a larger financed remodeling or reconstruction project, include installation of fire alarms, smoke detectors, or automatic door closers.



Utilities – Long-term financed utility costs include expenditures for the acquisition, construction, replacement, modification or extension of utility systems including construction or replacement of utility lines between buildings, replacement or installation of utilities to off-site supply systems, and replacement of complete boiler or central air conditioning or ventilation systems. Financed utility improvements include:

- Provisions for potable water, high temperature water for sanitary or other related purposes, and domestic hot or chilled water.
- Systems and associated components for disbursing or providing electricity or telecommunications service, including underground or overhead distribution cables for television, computers, or other modes of communication.
- Steam and condensate returns.

- Storm and sanitary sewers.
- Fire hydrants and stand pipes.
- Central fire and security alert systems.
- Lighting systems.
- Tap-ons or extensions related to existing utility systems.
- Automated temperature or environmental control systems, and air or water pollution control systems.
- Provisions for the disposal of contaminated, radioactive, hazardous or surgical waste.
- Solar heating or other approved energy systems as part of a financed construction or reconstruction project.
- Sewage and water treatment facilities, equipment and related systems.
- Earth moving to create artificial lakes or reservoirs for utility or related purposes.
- Restoration of natural and manmade features of the site.
- Trenches or ditches dug for the purpose of laying tile or providing other means to remove excessive rainfall and prevent erosion.

Non-financed utility repairs generally include minor replacement of corroded or leaking pipes inside a facility, replacement of unsafe or undersized wiring, repairs to stop leaks or replace radiators, replacement of heating or cooling coils, replacement of fans or motors, retubing of boilers, addition of controls or valves for energy conservation, or replacement of thermostats or timers.

Other examples – Other examples of construction that can be long-term financed through capital appropriations include the following:

- Purchase of existing facilities and tenant improvements.
- Reconstruction of an existing building or structure, which may include demolition, as well as installation of new structural or interior walls, floors, ceilings, utilities, interior finishes, furnishings, and equipment.
- Exterior work, including exterior surface, structural or foundation work necessary to extend the useful life of the structure.
- Roof work that removes all or major portions of a roofing system down to the decking and replacement with a new system.

Replacement of insulation, decking, and other necessary structural work may be part of a financed roof replacement project. Included in a financed project may be stone or metal work and other work necessary to direct and control water drainage and ice formation. Non-financed roof repairs include patching, replacing shingles, spot treatment with tar or other roof materials, adding gravel or other materials, or other repairs. Replacing gutters, downspouts, fascia and other work are not financed as a project but may be included as part of a larger long-term financed roof replacement project.

- Interior work generally involves the following elements of work: demolition, moving walls, new carpet or floor surfaces, new finishes, replacing electrical and plumbing facilities, changes to the heating or cooling system, and installation of new fixed or moveable equipment.

Relocation costs

Relocation costs are payments made to owners or occupants of property that the state is acquiring. These costs may be long-term financed when paid pursuant to federal or state statutes.

Other expenses not financed in capital projects

The following are operating or other types of expenditures that are specifically **NOT** long-term financed in capital projects:

- Projects (appropriation titles) which cost less than \$25,000 or which have an estimated useful life of less than 13 years.
- Ordinary maintenance such as patching, painting, caulking, weatherproofing, insulating, adding storm windows, replacing doors, repairing vandalism or cleaning. An aggregation of ordinary maintenance does not create a long-term financed capital project. Work undertaken as a result of deferred maintenance likewise does not normally make the project financed. Elements of work that are not financed if considered separately may be included in a larger long-term financed project.
- Lease payments for rental of equipment or facilities.
- Costs for archeological digs, research, or exploration.
- Expenditures to acquire or construct temporary facilities or for facilities where abandonment or replacement is imminent. This does not include temporary facilities required by a contractor during construction such as a "job shack."

- Separate purchases of sand, gravel, rock, asphalt or concrete in limited quantities, ordinary hardware items, and temporary fencing.
- Spare or replacement parts and equipment, hand tools, scuba equipment, decorative models, plaques, commemorative memorabilia, supplies or other commodities.
- Purchase of automobiles, trucks, farm or construction equipment, boats, tractors, lawn mowers, fire engines, trailer-mounted electrical generators, airplanes, helicopters and related items.
- Livestock or laboratory animals.
- Unpredictable or unusual legal expenses (other than those associated with land acquisition) which are not ordinarily provided within the budget for a capital project.
- Parking costs during construction.
- Agency expenses for capital budgeting, planning or other costs not directly related to the completion of a long-term financed project.

4.3 Equipment



Equipment can be long-term financed or purchased with cash depending upon the definitions and criteria outlined below.

Definition of Equipment

Equipment, as defined in the State Administrative and Accounting Manual (SAAM), is tangible property other than land, buildings, improvements other than buildings, or infrastructure, which is used in operations and with a useful life of more than one year. Examples are furnishings, equipment, and software. Equipment may be attached to a structure for purposes of securing the item, but unless it is permanently attached to, or an integral part of, the building structure, it is classified as equipment and not buildings (<http://www.ofm.wa.gov/policy/glossary.htm>). Useful lives for equipment are documented in the SAAM, which can be found at (<http://www.ofm.wa.gov/policy/30.50.htm>).

Categories of Equipment

For purposes of capital budgeting, there are four categories of equipment:

- 1) **Built-in equipment** is permanently attached to the building or improvement, without which the building or improvement will not function. It is an integral part of the structure and for purposes of classification is considered part of the structure. Built-in equipment is generally included in the base construction budget and estimate (section C of the form C100). Examples of built-in equipment are plumbing fixtures and heating and electrical equipment.
- 2) **Fixed equipment** is attached to the building or improvement for purposes of securing the item and contributes to the facility's function. Fixed equipment is generally included in the base construction budget and estimate (section C of the form C100). Examples of fixed equipment include shelving, cabinets, and bolted furniture.
- 3) **Movable equipment** is equipment necessary for the functioning of the building or improvement and remains with the facility in support of a program, but is not attached to the building or improvement. Movable equipment is generally included in a separate equipment budget and estimate (section D of the C100). Examples of movable equipment include desks and computers.
- 4) **Temporary equipment** is equipment that is planned to be used in a building or improvement for a period less than its useful life. An example of temporary equipment is the use of research equipment for a short-term project.

Guidelines

The following guidelines will be utilized to determine the eligibility of equipment as a capital expenditure:

- 1) Built-in equipment is an eligible capital expenditure.
- 2) If the building or improvement is constructed/improved for new program requirements with no existing operating budget, fixed and movable equipment to provide a complete, functioning facility are eligible as a capital expenditure if:
 - A) The average useful life of the total equipment purchase is 13 years or more if bond funds are utilized, or
 - B) The useful life of the equipment is one year or more if cash is utilized.
- 3) If the building or improvement is constructed/improved for use or relocation of an existing program, fixed and movable equipment costs are eligible if:

- A) The average useful life of the total equipment purchase is 13 years or more if bond funds are utilized, or
 - B) The useful life of the equipment is one year or more if cash is utilized, and
 - C) The existing program equipment is inventoried and documented that it cannot meet the requirements of the new facility.
- 4) Temporary equipment is an eligible capital expenditure if the equipment fits one of the categories above and the disposal proceeds are recovered by the fund that originally financed the purchase of the equipment.
 - 5) Individual components of a system are considered eligible if they are dedicated or proprietary components of a larger system and the larger system is eligible as a capital expenditure. Examples include dedicated software and control systems to support heating and ventilation units.
 - 6) The Office of the State Treasurer's lease/purchase program should be considered for non-eligible equipment.
 - 7) Exceptions will be made on a case-by-case basis.

**Non-Eligible
Equipment Expenses**

Consumable inventories as defined in the SAAM are supplies consumed in the course of an agency's operation or incidental items held for resale (<http://www.ofm.wa.gov/policy/glossary.htm>). Consumable inventories are not eligible capital expenditures. Examples include office, janitorial, chemical supplies, and laboratory glassware.

Software is not an eligible expenditure if it is not dedicated to the control of a specialized system supporting a program. Examples that are not eligible include word processing and project management software.

Spare or replacement parts and equipment are not eligible expenditures.

Traditionally funded operating equipment or specifically prohibited equipment such as fax machines, copiers, custodial equipment, rolling stock, and grounds equipment are not eligible expenditures.

**Moving equipment is
an operating expense**

The cost of moving furniture, equipment, and supplies between facilities are operating costs and not included in capital projects.



SECTION 5

Agency Administrative and Staffing Costs

Capital construction funds, whether funded with bond proceeds or revenues deriving from fees or other cash, are dedicated to the acquisition, construction, and renovation of capital assets. These funds should not be used to subsidize operating budget costs. Agency administrative and other overhead staff costs have the highest likelihood for reprogramming into capital budgets. OFM will work with agencies to help prevent the shifting of planned operating budget costs to the capital budget.

Allowable agency staff costs must be specific to the capital project and directly relate to the execution of the project. For example, staff costs for consultant selection, in-agency design and project inspections are directly related to the execution of the capital project and are allowable costs. Staff costs not eligible for inclusion in a capital project should be included in the agency's operating budget.

5.1 Administrative Cost Standards

The following guidelines will help clarify appropriate budgeting of administrative and staff expenses for the completion of capital projects.

Agency capital budgeting, facility management, and planning functions

Agency administrative costs related to capital budget development, capital facility management, long-range budget planning and policy initiatives are more appropriately included in the operating budget, since they exist regardless of the particular composition of agency projects proposed each biennium.

Project management

Typical project management tasks, their definitions and preferred method of paying for each task are listed below.

	<u>Project Management Task</u>	<u>How financed</u>
Statewide capital process	Statewide capital process Non project-specific tasks associated with regulation and policy development, contract(s) development, inter-agency initiatives, legislative oversight, etc. Tasks in this category are generally performed, or directly supervised, by executive level agency staff.	Agency Operating Budget

Agency capital development process

Agency Capital Development Process

- | | | |
|----|---|-------------------------|
| 1. | Non project-specific tasks associated with overall general comprehensive planning for facilities and infrastructure, identification and prioritization of capital projects, and preparation of agency capital requests. Tasks in this subcategory are generally performed, or directly supervised, by executive or program management level agency staff. | Agency Operating Budget |
| 2. | Non project-specific tasks associated with general support of project management operations, including staff management, staff support, general accounting, statutory accounting and management of public information related to an agency's capital program. Tasks in this subcategory are generally performed by agency professional and technical staff. | Project Mgmt. Fee |

Project consultant

Project Consultant

- | | | |
|----|--|-------------------|
| 1. | Routine project management tasks, associated with consultant selection, contract negotiation, and day to day administration of consultant agreements and public works contracts for individual capital projects. Tasks in this category are generally performed by agency professional staff. For agencies under 43.19.450, these services are substantially provided by the Department of General Administration Engineering and Architectural Services (E&AS). | Project Mgmt. Fee |
| 2. | Additional project-specific tasks that may be required due to specific project requirements or agency practice. Tasks include project design (when performed by agency professional staff in lieu of consultants); land use applications, environmental assessments, hazardous material assessments and other special design studies, not routinely required for all projects; and building code plan review services (when not otherwise performed by local jurisdictions). | Project Expenses |

Bidding/contract award**Bidding/Contract Award**

- | | | |
|----|---|----------------------|
| 1. | Project-specific tasks associated with identification of project agency base bid and alternates, determination of bid date and time, opening and evaluation of bids, and resolution of bidding irregularities when they occur. These tasks are routinely performed by agency management or professional staff. For agencies under 43.19.450, these services are substantially provided by the Department of General Administration Engineering and Architectural Services (E&AS). | Project
Mgmt. Fee |
| 2. | Project-specific tasks associated with reproduction and distribution of construction documents for bidding including addenda, are routinely performed by the design consultant or agency staff. | Project
Expense |

Construction**Construction**

- | | | |
|----|--|-------------------------------|
| 1. | Provision of Emergency Services (to the extent provided by an agency) and infrastructure management (utilities). | Agency
Operating
Budget |
| 2. | Routine project-specific tasks performed by agency staff associated with administration of construction contracts, coordination of agency reviews of construction submittals, monitoring of project schedules, and monitoring of consultant and contractor performance. For agencies under 43.19.450, these services are substantially provided by the Department of General Administration Engineering and Architectural Services (E&AS). | Project
Mgmt. Fee |
| 3. | Additional project-specific tasks that may be required due to specific project requirements or agency practice. Tasks include, building code inspection services (when otherwise not performed by local jurisdictions), enhanced construction phase administration for complex project, etc. These additional services may be performed by qualified agency staff or by consultants. | Project
Expense |

Agency contract administration

Agency staff frequently perform contract administration tasks (such as processing agreements and contracts, change orders, managing a bid process, verifying bills for payment) in the execution of a capital project. Common agency accounting practices for these costs involves either: (1) charging each project directly for costs incurred, or (2) assessing a project administration fee across agency capital projects and using the pooled funds to pay agency overhead costs.

Project administration fees may not exceed 3 percent of the total new appropriated project cost on projects of \$1 million and less, regardless of whether these fees are charged as a percentage or charged directly to a project.

For projects in excess of \$1 million, the project administrative fee will be based on the A/E Fee Schedule B, Basic Service, less 3 percent. This rate is intended to be a ceiling, not a target. Therefore, agencies should evaluate their project administration requirements for each project when requesting these fees.

Agency design and professional staff

Some agencies employ professional staff for planning, environmental permitting, and design services. These staff costs may be charged to capital projects only for the time and expenses directly related to performing the scope of work for the project appropriated in the capital budget. The remainder of those staff costs should be charged to the operating budget. The cost for agency staff should be estimated and incorporated into the total cost of the individual capital project and not as a separately identified staff cost. Agencies must identify these staff and their anticipated percentage FTE expenditure on capital projects on the agency's capital budget FTE summary form.

Agency maintenance functions

Agency ordinary maintenance as well as costs associated with routine janitorial activities and the day-to-day upkeep normally funded by the operating budget are ongoing operating expenses and not charged to capital appropriations.

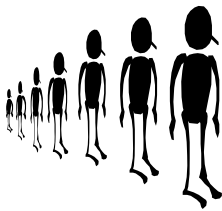
Agency trades staff costs may be charged to capital projects only for the time and expenses directly related to performing the scope of work for the project appropriated in the capital budget. The remainder of trades staff costs should be charged to the operating budget. Do not shift planned operating budget expenditures to capital project funds. The cost for agency trades staff should be

estimated and incorporated into the total construction cost of the individual capital project and not as a separately identified staff cost. Agencies must identify these trades staff and their anticipated percentage FTE expenditure on capital projects on the agency's capital budget FTE summary form.

Self-performed agency labor

Agencies may choose to use existing or temporary staff to perform some elements of a specific capital project that might otherwise be accomplished by a construction contract. Examples might be the use of a Correctional Industries crew for asbestos abatement, assigning minor works activity to the Washington Conservation Corps, utilizing Americorps Construction Services, performing work under interagency agreements, or using agency trades staff to perform electrical work or related finishing work on a specific project. As noted above for agency trades staff, the cost for self-performed agency labor should be estimated as part of the total construction cost of the individual capital project and not as a separately identified staff cost.

5.2 Capital Budget FTE Summary



FTE figures, historically requested during the allotment process, will be required during the budget request process. A narrative should be provided describing the role of the FTEs in the capital budget and the reasons for any changes in the level of FTEs requested.

In addition to identifying FTEs, it is necessary to identify the fund sources that will be used and level of anticipated expenditures.

The **Capital Budget FTE Summary** report is available for entry, print and electronic transmission of data to OFM from the BASS Capital Budgeting System (CBS). See the CBS Tutorial for more information.



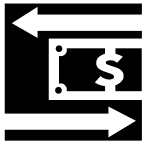
SECTION 6

Capital Savings

The Legislature has provided two opportunities for agencies and institutions to take advantage of savings that are gained from appropriated capital projects.

6.1 Capital Savings

Transfer between projects



The Governor, through OFM, may authorize a transfer of appropriation authority from a capital project that has excess of the amount required for completion to another capital project for which the appropriation is insufficient. This transfer is available to all agencies and institutions subject to certain restrictions, as detailed in RCW 13.88.145. Agencies may request a transfer by submitting a letter to OFM.

Transfer to infrastructure project savings

Certain agencies have received an appropriation of \$1 in a project entitled Infrastructure Project Savings. This project is designed to allow agencies and institutions to transfer savings from completed projects into this project to be used for new infrastructure work. Funds transferred to this project can be used only for the following purposes: (1) Road and sidewalk repair; (2) roof repair; (3) electrical system repair; (4) steam and utility distribution system repair; (5) plumbing system repair; (6) heating, ventilation, and air conditioning repairs; and (7) emergency repairs due to natural disasters or accidents.

Report savings and transfer request to OFM

Agencies and institutions are asked to report to OFM the following:

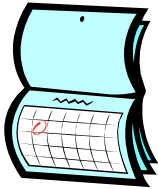
- ☐ Project names;
- ☐ Project numbers;
- ☐ Fund sources;
- ☐ Appropriation codes;
- ☐ Appropriation amounts;
- ☐ Savings amount; and
- ☐ A description of the transfer.



SECTION 7

Capital Expenditures

7.1 Reappropriations



Many capital projects and acquisitions require more than one biennium to complete, yet the state Constitution allows appropriation for only one budget period or biennium at a time. Consequently, some project funding must be carried forward into the next biennium. Current requirements call for agencies to “reappropriate” the anticipated unexpended balance of an appropriation at the end of the biennium as a specific capital budget action in subsequent biennia capital budget bills.

Agencies are responsible for identifying all appropriations within the 2003-05 Biennium that will be requested as reappropriations in the 2005-07 Biennium. Project numbers, appropriation codes and descriptions must be retained to provide reasonable tracking of cost and identification of June 30, 2005 unexpended balances. Agencies are required to complete a C2 form, as well as the CBS entry, for each reappropriated project. Include the project in the C1 (Ten-Year Capital Plan Program Summary), and estimate the reappropriation amounts using the actual expenditures as of June 30, 2004. OFM and the Legislature will request periodic updates as budgets are being developed. Overlooked reappropriations will not be eligible as unanticipated receipts, except under extraordinary circumstances.

Reappropriation rules for capital projects

As a rule, minor works projects are considered small and should be completed within the biennium in which they are first requested. To be reappropriated, minor works projects will need individual justification as to why they could not be completed within two years. *Preservation* projects first appropriated in the 2001-03 Biennium and before may not be reappropriated in the 2005-07 Biennium. *Grants and program* projects older than the 2001-03 Biennium may be reappropriated in the 2005-07 Biennium on a case-by-case basis. Emergency funding will not be reappropriated. Agencies should contact their OFM capital budget assistant for guidance.

7.2 Lapsing Appropriations



There is a limited amount of resources available to meet many capital budget needs. When projects have been completed under budget or are indefinitely stalled for any reason, the appropriation for the project should be “lapsed” to free up the resources to meet other project needs. For this reason, agencies are asked to report savings from completed projects and funding for projects that cannot move forward. The funding for these projects will be lapsed at the end of the 2003-05 Biennium. When issues that have stalled projects have been resolved, the project may be resubmitted in a future biennium.



SECTION 8

Bond Fund Cash Flow Estimates

The Office of the State Treasurer (OST) asks selected agencies to provide information about bond fund cash flow estimates and descriptions of the expected use of bond proceeds. This information is used by OST to prepare sales plans for upcoming state bond sales. The sales plan is also used to calculate the bond retirement principal and interest expenses that are included in the operating budget. Information provided by agencies for this purpose will not be used to calculate reappropriation amounts (see Section 7).

The OST will contact the agencies listed below to obtain the necessary information. The forms provided by OST, together with any additional supporting material, should be sent no later than **July 23, 2004** to:

Svein Braseth
Office of the State Treasurer
P.O. Box 40200
Olympia, WA 98504-0200
Phone: (360) 902-9025
FAX: (360) 902-9045
E-mail: svein@tre.wa.gov

Agency	Fund Code	Fund Title
Department of Community, Trade, and Economic Development	355	State Taxable Building Construction Account
Council of Presidents	357	Gardner-Evans Higher Education Construction Account
Department of Ecology	051	State and Local Improvements Revolving Account (Waste Disposal Facilities.)
	055	State and Local Improvements Revolving Account (Waste Disposal Facilities, 1980)
	072	State and Local Improvements Revolving Account (Water Supply Facilities)
Dept. of General Administration	045	State Vehicle Parking Account (East Plaza Garage)
	350	Capitol Historic District Account (Legislative Building)

Bond Fund Cash Flow Estimates

Agency	Fund Code	Fund Title
Department of Transportation	099 108 215 218 511 550	Puget Sound Capital Construction Account Motor Vehicle Account Special Category C Account Multimodal Transportation Account Tacoma Narrows Toll Bridge Account Transportation 2003 Account/Nickel Account
Interagency Committee for Outdoor Recreation	070 244	Outdoor Recreation Account Habitat Conservation Account
State Board for Comm. and Technical Colleges	357	Gardner-Evans Higher Education Construction Account
Transportation Improvement Board	144	Transportation Improvement Account
University of Washington	01L	Higher Education Construction Account



SECTION 9

Guidelines for Expected Use of Bond and COP Proceeds

9.1 Background

These guidelines should be used in preparing capital budget requests for projects funded by bonds and certificates of participation (COP). They apply to all projects identified in CBS with proposed appropriations and/or reappropriations of more than or equal to \$250,000 from the following list of funds or any COP funded projects:

- 01L Higher Education Construction Account
- 045 State Vehicle Parking Acct
- 051 State & Local Improv. Rev. Acct (Waste Disp. Fac.)
- 055 State & Local Improv. Rev. Acct (Waste Disp. 1980)
- 057 State Building Construction Account
- 070 Outdoor Recreation Account
- 072 State & Local Improv. Rev. (Water Supply Fac.)
- 244 Habitat Conservation Account
- 350 Capitol Historic District Acct
- 355 State Taxable Building Construction Account
- 357 Gardner-Evans Higher Education Construction Account

IRS limits on tax-exempt bonds

The Internal Revenue Code limits the amount of proceeds of any issue of tax-exempt bonds that may be used to finance activities or facilities used for nongovernmental purposes. In general, no more than the *lesser* of 10 percent or \$15 million of proceeds of any tax-exempt bond issue may be used for any nongovernmental use, of which no more than the *lesser* of 5 percent or \$5 million may be used to make any loans to nongovernmental persons.

This guideline helps determine if a project is for governmental or nongovernmental purposes, and, as such, helps determine whether an appropriation should be made from tax-exempt bond/COP proceeds or from taxable bond/COP proceeds.

Please prepare a separate “Expected Use of Bond/COP Proceeds” form for each proposed project with appropriations and/or reappropriations of \$250,000 or more and maintain it on file. (Form is available in Appendix D.)

If the determination is that the project qualifies for nontaxable funding then request funding from your usual and accustomed funding source. If the determination is that the project requires taxable funding, request funding from Fund 355 (State Taxable Building Construction Account).

Definitions of purposes

In preparing the “Expected Use of Bond/COP Proceeds” form, please consider the definitions for *nongovernmental purposes* and *governmental purposes* contained in the glossary, as well as the examples below.

Keep federal tax rules in mind

In determining whether bond/COP proceeds are considered to be used for governmental or nongovernmental purposes, the following federal tax rules should be kept in mind:

- You must take into account reasonably expected direct and indirect uses of both the proceeds and the financed property during the entire term of the bonds/COPs that will finance that property.
- Nongovernmental use may occur as the result of ownership of the financed property by a nongovernmental person or use of the financed property by a nongovernmental person under a lease, management contract, output contract, or any other arrangement that provides special legal entitlements to the nongovernmental person for beneficial use of the bond-financed property.
- Generally, the ultimate use of the financed property determines the character of the use of the financed property.

Overall, all of the facts and circumstances concerning arrangements with nongovernmental entities for use of the bond/COP-financed property must be considered.

Examples

1. If proceeds are loaned to a housing authority to build an apartment building that the housing authority leases to a separate partnership in which the housing authority is the general partner and private investors are limited partners, the financed apartment building is considered used for nongovernmental purposes.
2. If proceeds are loaned to a city to build a sewage treatment plant, but the city enters into a long-term management contract with a private company to operate the sewage treatment plant for the city, and the management contract fails to meet Internal Revenue Service requirements for a "qualified management contract," the treatment plant is considered used for a nongovernmental purposes.
3. If proceeds are loaned to a port district to build a dock that the port district leases long-term to a private shipping company, the dock is considered used for nongovernmental purposes.

4. If a state agency leases excess office space in a bond or COP-financed building to commercial businesses, the portion of the proceeds properly allocated to the cost of that space is considered used for nongovernmental purposes.
5. If the estimated useful life of a project is shorter than the term of the financing and the project will be sold or leased to a private nonprofit corporation before the end of the financing, the project is considered used for nongovernmental purposes.



SECTION 10

Certificates of Participation



COPs are secured by the agency's general state fund appropriations.

Real-estate Certificates of Participation (COPs) are structured and sold on a stand-alone or pooled basis, so each agency with COP approval must coordinate the timing of its funding needs with the Office of the State Treasurer (OST). Due to tax restrictions on use of COP proceeds and the requirement that the subject property shall secure the financing contract, it is advisable to contact OST directly to describe your basic project proposal in advance of submitting your budget request. This is especially important if the proposed project: (a) has any type of private component; (b) includes plans to finance a project on land owned by another party; or (c) involves a private operator or manager of the completed project.

The maximum allowable term for COPs (under RCW 39.94) is 30 years, but they are issued for shorter terms based on the size of the project, the source, amount and timing of agency local funds available for repayment, as well as the useful life of the structure. Regardless of the source of agency local funds to be used for repayment, all COPs are secured by the agency's general state fund appropriations; if the local funds are not sufficient to make payments, general appropriations are required to make the payment.

COP authorizations are generally listed in the "Miscellaneous" section of the biennial capital budget. The authorizations apply only to the biennium for which they are approved. If the project is not ready to finance in the biennium, the agency will need to seek re-authorization in the next biennium.

COPs will be issued once the agency has formal bid documents and has contracted for construction (if used for a construction or renovation project) or has entered into a purchase and sale agreement, completed all requirements for the purchase, and documents have been signed by all parties to the transaction (for acquisition projects).

Certificates of Participation

For most acquisition projects, the Office of the State Treasurer will request that the agency close the real estate transaction prior to the COPs being issued. General language in the capital budget for COP authorizations provides that agencies may expend other agency funds on the project, to be reimbursed from COP proceeds. Unlike general obligation bonds, there is no capital allotment process or requirement for COPs. An operating allotment process may be required for debt service. When you receive legislative authorization and have met with the OST to ensure that your project qualifies for COP financing, you may proceed with bid and award for construction (or sign documentation for acquisition). You should work directly with OST with regard to timing of the award of bids and sale of COPs.

Additional information is available on OST's web site

Additional information on COPs can be found in the "Lease/Purchase Program Guide" posted on the Office of the State Treasurer's web page at www.tre.wa.gov/BondDebt/bnd_state-lp.htm.

Questions may be directed to:

Kristi Wolgamot
Lease Purchase Specialist
Office of the State Treasurer
(360) 902-9020
(360) 902-9045 Fax
kristi@tre.wa.gov



SECTION 11

Deferred Maintenance Backlog Reduction Plans For Capital Preservation Projects

Delivery of state government services happens through adequately maintained and preserved public facilities. The general public expects their public facilities to be well maintained for their use. The Governor and Legislature, working in concert, make every effort to provide appropriate financial and human resources.

A deferred maintenance backlog reduction plan for facility preservation is an action plan that offsets deterioration, restores facilities and systems to their intended purpose, and extends the expected useful life of the asset. Continued deferral of maintenance work results in the progressive deterioration of the facility or system condition and its performance; and, if not eventually addressed, will significantly increase restoration cost.

11.1 Maintenance Backlog Reduction Plans



Deferred maintenance backlog reduction plans have several goals:

- Promote proper preservation of state facilities
- Ensure maintenance is not reduced during an era of decreasing resources
- Identify and prioritize maintenance to best utilize resources
- Decrease deferral of maintenance so capital renewal is not required to restore a facility to its service delivery condition
- Establish quality standards for maintenance appropriate to the agency and the facility's intended use

Deferred maintenance backlog reduction plans for capital budget facility and infrastructure preservation projects define project specific multi-year budget requests to address the deferred preservation needs of an agency (or institution). The projects proposed for funding in each funding cycle will be based on the commonly accepted statewide definition of deferred preservation (see *Glossary*) adopted by OFM. Projects will be drawn from the priority ordered requests by the owner agencies. Prioritization criteria will be developed by the agency and will respond to agency needs, programs, and activities or services provided by the facilities. These criteria shall be clearly identified. The elements of work in each of the specified projects may be based on the results of a formal process of facility evaluation (assessment or audit process), or may reflect the best judgment of agency management.

Agencies will structure their capital preservation project lists based on their own tracking systems and procedures. The project list may be subdivided into categories based on individual agency needs and approaches; projects may be grouped into categories defined by the agency; or projects may be listed individually. Whatever format is chosen by the agency, it should allow for a clear understanding of the project (or types of projects) proposed for completion in each time period in priority order. There must be an obvious link between the projects in the preservation lists and the deferred maintenance backlog reduction plan.

11.2 Action Plan

Agencies should conduct formal facility assessments

Agencies should conduct formal facility assessments or audits to provide a framework for developing a long-term plan to meet their deferred facility and infrastructure needs. A comprehensive approach would include the following activities:

- An overall goal statement from the agency's strategic plan that addresses the backlog of facility preservation and the corresponding approach to accomplish this goal.
- Identify specific facility or infrastructure deficiencies in a manner that is updated and consistent over time.
- Rate and rank facility and infrastructure preservation needs according to physical condition and performance. Identify facilities or systems that should be abandoned.
- Define specific capital preservation projects ranked in priority order that reduce the amount of deferred preservation.
- Develop cost estimates for these capital preservation projects.
- Prepare a schedule for completing projects over a reasonable period that balances the opportunity to improve and preserve facilities with the realities of fiscal constraints, availability of agency resources to manage preservation projects, and the ability to remove facilities from service or operation while the improvements are being completed.
- Identify revenue sources and timing of expenditures that are dedicated to deferred maintenance backlog reduction.
- Specify appropriate ongoing maintenance activities, funded in the operating budget, that keep facilities and systems at acceptable levels of performance.

11.3 Implementation Strategy



Agencies will submit a short summary in a prescribed format (see Appendix D) describing their deferred maintenance backlog reduction plan as part of the capital budget request. In their response, agencies will summarize actions taken to develop the plan, the relative size of their maintenance backlog, what is being done to ensure that further deterioration does not take place, the proposed time period to reduce or control the backlog, and the proposed total request for each of the next five biennia. Project lists for the 2005-07 Biennium are not required but could be submitted as an attachment to this narrative.

Preservation projects proposed by the agency in their capital budget request must have a direct and obvious correlation to their deferred maintenance backlog reduction plan.

The Governor and Legislature will make capital budget funding decisions based on the content of agency backlog reduction plans and the resources available for expenditure. Backlog reduction plans clearly complement other efforts across state government to tie funding decisions to clear expectations of results (performance measures and budgeting, outcome measures, strategic plans). Continued emphasis on improving long-term agency capital planning will make the development and updates to a deferred maintenance backlog reduction plan an expected part of the capital budgeting process.

11.4 Integration with Operating Budget Maintenance Program

Agencies must coordinate the cost of ongoing maintenance in their operating budget with preservation projects in the capital budget that reduce deferred maintenance backlogs. It is imperative that maximum return be achieved on capital investments in upgrading and preserving facilities. This can only be accomplished if the upgraded facilities receive an adequate level of ongoing maintenance. The maintenance system and approaches developed and managed by each owner agency shall recognize the wide variety of state facilities and how they are used. Agencies will determine user schedules and needs, program changes, availability of maintenance skills and materials, best and most appropriate practices, and financial strategies.

Any maintenance backlog should be carefully monitored by the owner agency, with summary data and a reduction plan furnished to OFM as part of the budget review process. OFM will coordinate capital budget funding efforts to reduce the backlog of facility preservation needs with an ongoing commitment to adequate levels of maintenance in the agency operating budgets.



SECTION 12

Other Budget Considerations and Requirements

12.1 Other Considerations

Architect/Engineer Fees

For the purpose of budgeting for capital projects, the fees for architect/engineer services are calculated using the Guidelines for Determining Architect/Engineer Fees for Public Works Building Projects (Appendix B). The guidelines define the basic services that should be included in each design phase and provide definitions for reimbursable expenses and extra/other services.

Energy conservation considerations

Energy conservation considerations should be included within the C2 narrative section, identifying choices made in the predesign phase and how these measures meet the Governor's directive that buildings be designed and built to lowest life cycle cost. For assistance in developing the energy-related components of project requests, contact the Energy Program Manager, Department of General Administration, through the Division of Engineering and Architectural Services at (360) 902-7272.

Coordination with regional and local governments on project siting

OFM is required under the Growth Management Act to maintain a list of "Essential State Public Facilities" to inform regional and local governments of the construction or siting of facilities across the state. All state-owned projects identified in the Governor's Ten-Year Capital Plan are essential public facilities.

Local governments cannot preclude the siting of essential state public facilities. For its part, the state must comply with local planning ordinances. While not all capital projects are sited at the time the budget is considered, it is important, whenever possible, to identify the preferred area or optional sites for locating each facility.

Growth management information is required in capital plan

The goal of the legislation is to promote state capital facility expenditures that minimize unplanned or uncoordinated infrastructure and development costs, support economic and quality of life benefits for existing communities, and support local government planning efforts. Prior to capital budget submittal, agencies should make early contact with affected local governments and review their project lists against local plans and ordinances to ensure consistency with local plans.

RCW 43.88.0301 requires state agencies to answer the following questions as part of the 2005-07 capital budget application process:

- Is the proposed capital project identified in the host city or county comprehensive plan, including the capital facility plan and implementing rules adopted under chapter 36.70A RCW?
- Is the proposed capital project located within an adopted urban growth area?
- If located within an adopted urban growth area, does the project facilitate, accommodate, or attract planned population and employment growth?
- If located outside an urban growth area boundary, does the proposed capital project create pressures for additional development?
- Was there regional coordination during project development?
- Does the project include leveraging of local or other funds?
- Have environmental outcomes and the reduction of adverse environmental impacts been examined?

This information requirement applies only to major capital construction projects over \$5 million and required to complete a predesign if located in a city or county planning under RCW 36.70A.040. Agencies should use the online template available at <http://www.ofm.wa.gov/budget/forms.htm>. The completed template must be submitted to OFM in the ten-year plan submission. A sample template can be found in Appendix D.

Assistance by CTED is available

The Department of Community, Trade, and Economic Development (CTED) can assist agencies in obtaining copies of local comprehensive plans and in answering the questions. For assistance, contact David Andersen, Department of Community, Trade, and Economic Development at (360) 725-3052 or davida@cted.wa.gov.

The state also has a strong interest in those community-based facilities that are not owned by the state but are operated by other entities under contract to the state. State agencies with an interest in the siting of these community-based facilities should contact appropriate local governments to ensure that such facilities can be accommodated.

Allotment instructions will be issued

OFM will issue allotment instructions following the passage of the capital budget. Agencies will be required to identify estimated expenditure and cash flow data by month for each appropriation received. The data will become the basis for evaluating project status throughout the next biennium and will be used by the Office of the State Treasurer.

OFM reports annually to the Legislature on cost overruns or underruns

RCW 43.88.160 requires OFM to make an annual report to the Legislature regarding the status of all appropriated capital projects (including transportation projects) that show significant cost overruns or underruns. As these projects are completed, agencies must provide OFM with a final summary showing estimated start and completion dates of each project phase compared to actual dates, as well as estimated costs of each phase compared to actual costs. OFM will provide this information to the Legislature.

Facility inventory system updates are due June 30, 2004

Statewide inventory data will play an important role in future budget decisions. Due on June 30, 2004, updated changes in the OFM Facility Inventory System (FIS) provide condition assessment for facilities will be especially helpful in reviewing budget requests. For this reason, identification of facility condition has become mandatory in FIS updates. In addition, square-foot information will be used in assessing agency performance regarding maintenance and preservation. Finally, information contained in the FIS will be used by the agencies in their Annual Maintenance Summary Report.

GA assessments for Thurston County space

RCW 43.01 directs the Department of General Administration (GA) to assess agencies for two costs related to the construction, renovation, and occupancy of certain space owned and managed by GA in Thurston County. One of these charges is the recovery of financing costs related to construction or major renovation projects, and the other is a capital projects surcharge levied in agency operating budgets to cover some of the costs of capital projects in Thurston County. (These charges are in addition to all existing facilities and services, seat of government, and Division of State Services lease management charges.)

Both of these additional charges will occur in the operating budgets of affected agencies. Please refer to the OFM 2005-07 Operating Budget Instructions, Part 2, for additional information about these charges.

***Capital Project
Surcharge***

The capital project surcharge is collected from all agencies housed in GA-owned and managed facilities in Thurston County except those occupying the Natural Resources and Highways-Licenses buildings. These buildings have separate financing cost-recovery agreements and are exempt from the capital project surcharge until the current cost recovery agreements expire or a surcharge is negotiated with GA.

State statute allows increases to the capital project surcharge over time. For the 2005-07 Biennium, the surcharge is \$5 per square foot and is included in the OFM central service agency charge adjustments made to an agency's operating budget.

Cost Recovery Charge

The financing cost-recovery charge (debt service) applies to those facilities being purchased, constructed, or undergoing major renovation and will begin once agencies occupy the new or newly renovated space. This charge, like the capital project surcharge, is an OFM central service agency charge adjustment.

GA will include financing plans in its Ten-Year Capital Plan requests for such new construction or major renovation projects. Tenant agencies must include funds in their operating budget requests to pay the financing cost-recovery charges in the biennium in which they occupy the new or newly renovated space. GA and the tenant agencies will coordinate their requests.

**Plant Operations
Support Consortium**



The Department of General Administration's Plant Operations Support Consortium may be able to assist in the implementation of capital projects. The Consortium provides support with project management, on-site assessment/consultation, technical assistance, and equipment brokering to facility managers. For more information, contact the Department of General Administration's Engineering and Architectural Services at (360) 902-7272.



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Acquisition – This type of project includes the acquisition of land, structures, and buildings. These are fixed assets that have no relationship to the addition or improvement to, or the repair or replacement of, existing fixed assets. An example of an acquisition would be purchase of a tract of land or purchase of a building.

Addendum – A written or graphic instrument issued by the architect before execution of the construction contract that modifies or interprets the bidding documents by additions, deletions, clarifications, or corrections.

Addition – An addition expands or extends an existing fixed asset. An example of an addition would be the construction of a new wing for a correctional institution. New construction attached to an existing structure as an extension is an addition. Generally, additions involve alterations within existing buildings to make connections.

Additional Services – Professional services that may, if authorized or confirmed in writing by the agency/institution, be rendered by the architect or other consultants in addition to the basic services identified in the owner-architect agreement. See Form C100 Sections B3 & B4.

Additive Alternate Bid – An amount stated in the bid to be added to the amount of the base bid if the corresponding change in work, as described in the bidding documents, is accepted.

Alternate Financing – Proposals that cover a wide range of financial contracts that call for the development or use of space by state agencies through a contractual arrangement with a developer or financing entity. The sale of debt obligations, Certificates of Participation (COPs) through the State Treasurer may be involved, or financing may be offered by a private developer. Title to the property involved may transfer to the state either upon exercise of an option, or at the termination of the contract.

Alternative Analysis – Involves identifying different ways of meeting the functional requirements of the program including various construction solutions to a problem or whether to lease, buy, build, or use some other financing techniques. This requires using approaches such as cost-benefit or life-cycle costing analysis to determine comparable costs of alternatives.

Alternative Public Works – Refers to public works processes authorized under RCW 39.10 and includes General Contractor / Construction Manager (GC/CM) and Design-Build. In order to use these procedures, the project must meet the criteria including project size stipulated in 39.10.

Architect/Engineer (A/E) – A party to a contract to provide professional architectural or engineering design services to an agency or institution.

Artwork Allowance – The cost of artwork for original construction of any building excluding storage sheds, warehouses, or buildings of a temporary nature, as provided in RCW 43.17.200. All universities and colleges shall compute artwork allowances on the cost of original construction, and on the cost of major renovation or remodeling work exceeding \$200,000, as provided in RCW 28B.10.027. Agencies should compute artwork allowances for original construction on the basis of

Glossary of Terms

one-half of 1 percent of the sum of consultant services, maximum allowable construction cost, and equipment costs on Form C100 Section E.

Base Bid – An offer to do construction work for payment, the acceptance of which constitutes a contract between the contractor who made the bid (the bidder) and the agency or institution who accepted it exclusive of adjustments for additive alternates. Also known as a proposal or a tender; often called a prime bid when made by a construction company that hopes to become the prime contractor, or a sub-bid when made by a company that hopes to become a subcontractor.

Basic Design Services – Architectural/Engineering (A/E) Basic Design Services consist of those services described in the Guidelines for Determining Architect/Engineer Fees for Public Works Building Projects in Washington State. These design services include normal architectural, structural, mechanical, electrical, and civil engineering services for the project. See Form C100 Section B2.

Bond – An obligation by which one party (surety) agrees to guarantee performance by another of a specified obligation for the benefit of a third person or entity (obligee). Examples include bid bond, performance & payment bond. See Form C100 Section F.

Building Renewal – Improvements to facilities (less than \$1 million), usually to the building envelope or within the building footprint, to prevent deterioration and maintain use of the facility.

Change Order – A written authorization provided to a contractor approving a change from the original plans, specifications, or other contract documents, as well as a change in the cost. With the proper signatures, a change order is considered a legal document.

Claims Review Board – A method of resolving disputes other than by arbitration or litigation.

Clerk of the Works – An outdated term for a representative of the architect or owner who oversees construction, handles administrative matters, and ensures that construction is in accordance with the contract documents. Currently referred to as an owner's on-site representative.

Commissioning and Training – The process for achieving, verifying, and documenting that the performance of a building and its various systems meet design intent together with the owner and occupants' operational needs. The process extends through all phases of a project, from initial concept to occupancy and operation, and includes the training of maintenance personnel.

Construction Document Phase – The phase of the A/E's services in which the architect prepares the construction documents from the approved design development documents and assists the agency/institution in preparation of the bidding documents.

Construction Management (CM) – Involves a contractual arrangement in which an owner employs an agent-consultant called a Construction Manager to coordinate and manage all of the construction trades. The additional management expertise is usually used on larger, more complex construction projects. However, an owner on a smaller project may acquire a construction manager for their construction expertise to act as the "eyes and ears" for the owner on the project.

Constructability Review – The cost for an independent consultant or contractor to determine if a unique or unusual project can physically be built as designed. This is to reduce construction change orders and claims. This review should be conducted at 75 percent completion of the construction documents.

Consultant – A person or entity who provides advice or services to an agency or institution.

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Consultant Selection Cost – The cost of advertising and travel for private sector members of a selection board, if required by RCW 39.80.

Contingency – The need for cost contingency is generated by a lack of information, at a particular point in time, for the task being estimated. Appropriate contingency amounts are dependent on the degree of risk present and the extent of the technical challenge surrounding the task. The design contingency legitimately covers uncertainties in a project and should be reduced through each phase of the design. Construction contingencies should be limited to 5 percent on new construction and 10 percent on remodeling work. Contingencies should not be considered as opportunities for extra work or to change original budget decisions.

Contract Documents – The drawings, specifications, conditions, agreement, and other documents prepared by the designer that illustrate and describe the work of the construction contract and the terms and conditions under which it shall be done and paid.

Contractor – A person, firm or corporation who or which, in the pursuit of an independent business undertakes to, or offers to undertake, or submits a bid to, construct, alter, repair, add to, subtract from, improve, move, or demolish, for another, any building, excavation or other structure, project, development, or improvement attached to real estate or to do any part thereof.

Corrective Maintenance – Unscheduled “call-in” requests for repair or replacement of equipment, systems, or facilities that have failed.

Cost/Benefit Analysis – An analysis in which consequences of the investment are measured in or converted to economic terms and qualitative benefits.

Cost Estimating – An element of basic services in an A/E agreement that includes an estimate of construction cost from quantity surveys and unit costs of building elements for the project. Costs shall reflect the level of design elements presented in the design documents, plus appropriate construction estimating contingencies to encompass unidentified scope ultimately included in the program. Interactive Cost Estimating is additional work beyond basic services in which additional design alternatives are estimated. Independent Cost Estimating, if needed, covers cost estimates by an independent third party contracted to the owner and used to validate cost estimates prepared by the A/E.

Deferred Maintenance – Ordinary maintenance activities left unperformed due to a lack of resources or perceived low priority, where deferral of the maintenance activity results in a progressive deterioration in facility conditions or performances. The cost of the deterioration, including capital costs, operating costs, and productivity losses, is expected to increase if the maintenance activity continues to be deferred.

Design Build – A method of project delivery subject to provisions in RCW 39.10 in which the agency/institution contracts directly with a single entity that is responsible for both design and construction services for a construction project.

Design/Code Plan Check (ICBO) – The cost for design document plan check that is performed by the International Conference of Building Officials (ICBO) only when required by local code officials. This requirement should be identified in the permit review process.

Design Development Phase – The phase of the A/E's services in which the consultant prepares the design development documents, from the approved schematic design studies, for submission to the agency/institution for approval.

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Design Service Contingency – Includes an allowance for uncertainty in scoping and pricing additional services, covers variability in estimating reimbursables, includes design fees for owner directed changes and includes design fees for changes during construction that are beyond the scope of basic services and are not a result of errors or omissions by the A/E. The total amount for design services contingency ranges from 5 to 10 percent of total consultant services cost depending on the complexity of the project.

Designer – A party to a contract to provide professional design services to an owner, often an architect or a professional engineer. Also, one (individual or corporate) who performs the design function in construction, as a package deal, a turnkey project, or a development management project.

Economic Life – Economic life in the context of cost/benefit analysis refers to the span of years necessary to compare similar costs of operating and maintaining alternative solutions. It may not equate to the time required to fully depreciate the structure. The economic life span should be the same for each alternative for a project. The period of time, extending from the date of installation to the date of retirement for the intended service, over which a prudent owner expects to retain the property in order to obtain a minimum cost.

Energy LCCA Review – As required by RCW 39.35, the Department of General Administration will review the Energy Conservation Report (LCCA) for a project. The fee for this review shall not exceed \$2,000.

Equipment – See Section 4 for equipment definitions and criteria.

ESCO – An ESCO is a firm that contracts with a facility owner or a utility to acquire, design, install, maintain and/or finance energy conservation, cogeneration or renewable energy projects. ESCO's primarily develop, own and operate energy projects with no technical or financial risk to the facility owner or utility. The ESCO can guarantee the energy savings, utility payments, and overall cost of the project.

Facilities Improvements – Initial construction, punch-list items, retrofits, alterations, remodeling, renewals, tenant improvements, renovations, adaptations and code improvements, etc., for a facility.

Facility – A structure with walls and a roof.

Facility Preservation – Improving or restoring the operational and service capacity to extend the useful life of a facility, and do not significantly affect the programs and services housed within the facility. This work is generally different than ordinary maintenance in the extent and cost of the work undertaken. The distinction between ordinary maintenance and preservation is made for the purpose of segregating these types of projects by funding source — operating or capital budget.

Fast Track – A process in which certain portions of the A/E's design services overlap with construction activities in order to expedite the owner's early occupancy of all or a portion of the project.

Fixed Assets – A fixed, physically attached, and permanent improvement or real property. Fixed assets are normally those that are capitalized.

General Contractor – The general contractor is a contractor whose business operations require the use of more than two unrelated building trades or crafts whose work the contractor shall superintend or do in whole or in part. A general contractor does not include an individual who

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does all work personally without employees or other specialty contractors as defined in this glossary. The terms general contractor and builder are synonymous.

General Contractor/Construction Manager (GC/CM) – A GC/CM is a firm with which an agency or institution has selected and negotiated a guaranteed maximum allowable construction cost for a project. A competitive selection process is used through a formal advertisement and competitive bids to provide services during the design phase that may include life-cycle cost design considerations, value engineering, scheduling, cost estimating, constructability, alternative construction options for cost savings, and sequencing of work. The GC/CM acts as the construction manager and general contractor during the construction phase. The GC/CM process is subject to provisions in RCW 39.10.

Geotechnical Investigation – The cost to do soils boring, sampling, testing, and prepare recommendations. The soil boring and sampling process, together with associated laboratory tests are necessary to establish subsurface profiles and the relative strengths, compressibility and other characteristics of the various strata encountered within depths likely to have an influence on the design of the project.

Governmental Purposes – As used in the context of use of bond/COP proceeds to pay the costs of facilities expected to be owned or used by, or to make any loan or grant to, a state and local government unit as defined in Treas. Reg. 1.103-1. This includes any state or political subdivision thereof that has been delegated substantial taxing, police, or condemnation power under state law or any instrumentality thereof.

HVAC Balancing – The cost to test and balance designed heating, ventilation, and air conditioning systems, including water flows, at the completion of construction.

Improvement – A legal term referring to anything erected on and affixed to land (e.g., buildings, roads, fences, and services), which legally becomes part of the land, according to common law and statutory definition.

Initial Costs – The same as “first cost” or the cost to provide the service or product in today’s dollars for a project. Different from life cycle costs, or future costs.

Inspection (On Site) – The examination of work completed or in progress to determine its conformance with the requirements of the contract documents.

Instrumentality – An agency through which a function of another entity is accomplished, such as a branch of a governing body.

Lease Development – A lease development project is defined as an acquisition of space in an existing privately-owned building through a lease that provides for a period of occupancy greater than five years, with an option to purchase, or construction of a privately financed building for purposes of state occupancy. Lease-development projects represent long-term occupancy proposals, but are to be funded from operating funds only. Any funds required to pay the cost of lease-development proposals should be requested through the operating budget.

Lease/Purchase Obligations (Real Estate) – Lease/purchase obligations are contracts entered into by the state which provide for the use and purchase of real or personal property, and provide for payment by the state over a term of more than one year. For reference, see RCW chapter 39.94 "Financing Contracts." Lease/purchase obligations are one type of lease-development alternative.

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Life-Cycle Cost – The capital and operational cost of a construction item, system, or building during its estimated useful life.

Life Cycle Cost Analysis – The identification of a total life-cycle cost of a capital project. Life-cycle cost analysis is defined as the programmatic and technical considerations of all cost elements associated with capital facility alternatives under consideration. These cost elements may include any or all of the following: Capital Investment Costs, Financial Costs, Operations Costs, Maintenance Costs, Alternations Costs, Replacement Costs, Denial of Use Costs, Lost Revenue, and Associated Costs. Life-cycle costing is expected to reduce the total cost by selecting the correct designs and components to minimize the total cost of service, not only the first cost. For instance, changes to the preliminary design might increase initial cost by lower operating costs and thereby reduce total costs.

Long-Term Leases – Those agreements that extend beyond five years (the normal facility lease period). Leases beyond a five year term will be considered when: the agency has a stable and consistent program to be housed, there is demonstrated economic advantage to the extended term, and the space is used consistent with statewide utilization standards. Contact the Department of General Administration, Division of State Services/Real Estate Services for more information on this subject.

Major Projects – Those projects that cost \$5 million or more, or projects that meet the following criteria: have particularly costly elements, are undertaken on a tight design budget or short design schedule, have significant policy implications to a program, or involve state of the art technology.

Management Reserve – Management reserve is an allowance for changes beyond control of the owner and recognizes the potential for variances in key assumptions in building efficiency, escalation, sales tax, permit requirements/delays, and off-site development. The amount is a function of risk and uncertainty and may be non-existent for many projects or range from 2 to 10 percent for others.

Maximum Allowable Construction Cost (MACC) – A cost that the owner stipulates to the design consultant before design begins. The cost is the owner's budget for the construction cost of the project and serves as the parameter in which the design consultant agrees that the construction cost of the design will not exceed.

Nongovernmental Purposes – As used in the context of use of bond/COP proceeds to pay the costs of facilities expected to be owned or used by, or to make any loan or grant to, (a) the federal governmental purposes (including any federal department or agency), (b) any private nonprofit corporation (including any 501(c)(3) organization), and (c) any other private entity, such as a business corporation, partnership, limited liability company, or association. See governmental purposes definition.

Normal Maintenance – A systematic day-to-day process funded by the annual operating budget to control the deterioration of facilities, e.g., structures, systems, equipment, pavement, and grounds. Planned maintenance includes the following:

- Scheduled repetitive work, such as housekeeping activities, groundskeeping, site maintenance, and certain types of service contracts.
- Periodic scheduled work (preventive maintenance) that has been planned to provide adjustment, cleaning, minor repair, and routine inspection of equipment to reduce service interruptions

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On-Site Representative – This is a full- or part-time employee who represents the owner during construction and serves as a liaison between the architect and contractor on major projects.

Operations and Maintenance (O&M) Costs – The costs of the regular custodial care and repair, annual maintenance contracts, utilities, maintenance contracts, and salaries of facility staff performing O&M tasks. The ordinary costs required for the upkeep of property and the restoration required when assets are damaged but not replaced. Items under O&M include the costs of inspecting and locating trouble areas, cleaning and preventive work, replacement of minor parts, power, labor, and materials. O&M work is required to preserve or restore buildings, grounds, utilities, and equipment to its intended running condition so that it can be effectively used for its intended purpose.

Operations and Maintenance Manuals – The assembly, tabulation, and indexing of all shop drawings and submittals on all equipment, controls, and systems so that required maintenance and troubleshooting can easily be shown and understood.

Outline Specifications – An abbreviated set of specification requirements normally included early in the design process.

Owner – The first party to the construction contract, who pays the contractor (the second party) for the construction work; also, the party who owns the rights to the land upon which the work is done and who, therefore, owns the work; also, the client of a designer, a construction manager, a project manager, or a development manager.

Performance Bond – A bond issued by a surety company on behalf of a contractor to guarantee an owner proper performance of the construction contract.

Phased Construction – Construction in which design and production more or less overlap, thus shortening project time; usually practiced in construction management projects. See Fast Track.

Predictive Maintenance – A refinement to preventive maintenance that integrates scheduled maintenance with system monitoring and analysis (e.g. vibration analysis, thermal/energy analysis) to identify inefficient operation or imminent breakdown. Predictive maintenance ideally reduces the cost of maintaining components that are working adequately.

Preservation Project – Projects that maintain and preserve existing state facilities and assets, and do not significantly change the program use of a facility. Examples would include roof replacement and exterior renovation, utility system upgrade, and repairing streets and parking lots.

Preventive Maintenance – A maintenance strategy where inspections are made or actions are taken on a scheduled basis to reduce service interruptions, reduce the premature failure of facilities, systems, and equipment, and continue efficient operations. Actual inspection and maintenance is performed on pre-specified schedules established by manufacturer or facility manager.

Primary Purpose – As used in defining a project type, the identification of the dominant driver behind the project; the area where the impact of not correcting the deficiency is most acute.

Program Projects – Projects that are intended to accomplish a program goal such as changing or improving the use of existing space, or creating a new facility or asset through construction or purchase. These projects may have a major impact on future operating budgets – such as the construction of a new prison or university branch campus.

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Programming – The work necessary to define the scope of a project, conduct master planning for future work, or delineate the existing conditions. This work may require field measurements or building systems testing and surveys.

Project Budget – The sum established by the agency/institution as available for the entire project, including the construction budget, acquisition costs, costs of furniture, furnishings and equipment, and compensation for professional services and all contingencies.

Project Delivery System – Method of how an owner plans to contract a project, i.e., design/bid/build, design/build, GC/CM, etc.

Real Property – Property that is fixed, immovable, and permanent. Real property includes land, structures affixed to the land, property affixed to the structures, and in some cases, trees etc., growing on the land.

Reappropriation – Prior biennium unspent funds approved by the Legislature and allocated to the agency by OFM during the current biennium.

Record Drawings – The revised drawings that truly reflect what was constructed including field verification.

Reimbursable Expenses – Amounts expended for or on account of the project that, in accordance with the terms of the appropriate agreement, are to be reimbursed by the agency/institution such as telephone charges and travel expenses in accordance with state guidelines.

Retainage – Those portions of cash amounts due to be paid to a contractor for work completed that are held back (retained) by the agency/institution and not paid until some later date; often at substantial completion or at final completion of the work, according to the terms and conditions of the contract and any relevant legal statute; as a security for proper performance of work and fulfillment of contractor's requirements.

Schedule of Values – A schedule breakdown on a month-to-month basis by the contractor to show the intended percentage of completed work by the construction trades. The schedule of values is the basis for the amount of the request for payment by the contractor.

Schematic Design Phase – The phase of the A/E's services in which the architect consults with the agency/institution to ascertain the requirements of the project and prepares schematic design studies consisting of drawings and other documents illustrating the scale and relationships of the project components for approval by the agency/institution. The A/E also submits a preliminary estimate of construction cost based on current area, volume, or other unit costs.

Site Survey – The process of mapping the boundary, topographic, or utility features of a site, measuring an existing building, or analyzing a building for use of space.

Specifications – The major part of a project manual, but excluding the bidding documented, contract agreement, and the conditions of the contract; the written descriptions of items of work that complement the construction drawings.

Subcontractor – A party to a subcontract who does trade work for a contractor (the other party), which work included under the prime contract between the same contractor and an owner; one who is defined as a subcontractor by the prime contract.

Testing – This is a technician's services in acquiring and testing samples of materials used in the project as required in the State Building Code such as welds, concrete strength, or bearing capacity.

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Unifomat – A system for classifying building products and systems by functional subsystem, e.g., substructure, superstructure, exterior closure, etc.

Useful Life – An estimate of the total time that an asset is usable and in service.

Value Engineering (VE) – VE is a systematic, orderly approach to defining a facility's required function, verifying the need for the function, and creating alternatives for providing the function at minimum life-cycle cost. Value is the lowest life-cycle cost to achieve the required function. VE is a problem-solving system that emphasizes the reduction of cost while maintaining the required quality and performance of the facility. It is a technique that is applied in addition to the regular design process. It is required on all major projects.

V/E Participation and Implementation – The extra fee to be paid to the A/E for participation in the required value engineering study and includes incremental costs to implement those changes identified by the study and requested by the owner.

Project Request Report

This appendix describes the key elements and submittal requirements of the Project Request Report.

A.1 Introduction to the Project Request Report

What is the purpose of the Project Request Report?

The Project Request Report is a short report that is used to communicate essential project objectives with factual data. The Project Request Report is required for major capital projects in advance of the predesign process. Alternate financed projects over \$1 million are also required to have a Project Request Report. The report ties project proposals to an agency's strategic operational planning and capital master plans, thereby improving budget and building decisions.

The focus of a Project Request Report is on the relationship of the project to mission, strategic planning, program, justified project need, and preliminary total cost implications. The short report generated by this stage of predevelopment planning becomes a major guiding force for future development and remains part of the project history. An expanded version of the Project Request Report becomes part of the Predesign Report. (For more information on the Predesign Report, please refer to the Predesign Manual for Capital Projects at <http://www.ofm.wa.gov/budget/instructions/capital.htm>.)

When is a Project Request Report required?

A Project Request Report is required for all predesign requests and alternate financed projects over \$1 million submitted during the 2005-07 Biennium. Currently, predesigns are required for all projects with a total cost of \$5 million or more, or are particularly time-sensitive, high-risk or that incorporate state-of-the-art technology. Projects originally estimated to be less than \$5 million that expand to \$5 million or more over consecutive biennia must submit a Project Request Report.

Ten-year capital plans

In order to include a project in the first two biennia of a ten-year plan, a Project Request Report must have OFM and legislative review and be submitted with the agency's Ten-Year Capital Plan.

Required updates	A Project Request Report must be resubmitted if the gross square footage changes 20 percent or more. Projects that do not receive predesign funding or design funding within 24 months of being granted conceptual approval must have an updated Project Request Report.
Future use of Project Request Reports	Remodel, renovation and new construction projects with a total cost of \$1 million or more of state funding may also be subject to the Project Request Report in future biennia. Unlike other states which have elected to extend full predesign process to projects under \$5 million, OFM anticipates the Project Request Report information for projects between \$1 million and \$5 million will not make that change necessary in Washington.

A.2 How is a Project Request Report Organized?

The Project Request Report is a six-part report with an optional appendix.	<p>Project Request Reports should have the following standard sections:</p> <ul style="list-style-type: none"> 1.0 Summary 2.0 Scope and Project Description 3.0 Justification <ul style="list-style-type: none"> 3.1 Prior Planning 3.2 Needs Analysis and Planning Process 3.3 Issues Identification 3.4 Site Feasibility 4.0 Budget Development 5.0 Schedule 6.0 Implementation Approach 7.0 Optional Appendix
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A.3 When is the Project Request Report due?

Agencies are strongly encouraged to submit in advance of the cut-off date.

Agencies and institutions will submit Project Request Reports with their ten-year capital plans for consideration in the regular session capital budget. These reports will then be reviewed by OFM.

For consideration in the supplemental capital budget, the cutoff date is October 1, or the Monday immediately following October 1 of odd-numbered years.

How long is it supposed to be?

General guidance is that the report should be complete and not preclude stapling or hole punching. It should fit in either a letter size file or a binder at the option of the recipient.

Keep it short and factual. If it needs a binder of its own, it's too long.

The basic information in Project Request Reports is expected to evolve over time as more information becomes available or refined. However, there should be fewer changes in scope and project description if careful preplanning has occurred early on.

How many copies?

Please submit five hard copies and one electronic copy. OFM will transmit copies to the legislative staff.

A.4 What are the Submittal Requirements?

Summary



The summary should be in the Capital Project Request Report Summary (Predesign C2 form from the Predesign Manual – see Appendix D.)

To avoid problems later, please take special care to verify legislative district information.

Scope and project description



Preliminary Statement – Establish the nature and purpose of the project. This section should be very short at this stage of project planning. Keep it short and focused on the facts: What is it? Is it new space or remodeled space and systems? Is it a new building or renovation of an existing building with new space added on? Where is it? When is it proposed? Is this part of a larger project? Are there any related projects? Is there a “window of opportunity” for this project? The preliminary summary statement is a description that will stay with the project through its completion and occupancy. This statement could also serve as an introductory paragraph to appropriation language and be used in capital budget request forms.

Frame the project without constraints of cost or scale.

If applicable, provide a brief summary of the current state repair of the building(s) or facilities involved.

Clarity is more important than lengthy prose.

Attach an 8 ½ x 11-inch site plan of the entire site with the project site (building) identified and highlighted. If a site has not yet been determined, attach a plan that shows the sites or locations under consideration.

The predesign, if funded, will contain more detailed information. For example, new space and remodeled space at the end of predesign should have specific amounts of square footage and preliminary costs assigned.

Justification



This section addresses how the project relates to specific agency or institutional objectives. It is the project rationale and reason for existence. Project history is also relevant.

Prior planning

Include any relevant history of the project, including any previous versions that did not go forward to predesign, design or construction. Many projects have been a victim of “the times”—the wrong ones for the particular project.

Strategic Plan, Capital Master Plan and other plans

Address the relationship to the statewide results and the agency’s strategic plan, goals, objectives, strategies, and activities. Also discuss any capital master plans, local comprehensive plans, neighborhood plans and other existing or ongoing planning processes that may affect the project. Project justifications must be consistent with the agency’s strategic and capital master plans.

- What is the relationship of the proposed project to the agency or institution’s strategic and capital master plans? Agencies or institutions lacking well-developed strategic objectives or a capital master plan should start with their mission or scope statement as the source document for determining these objectives. Agencies without capital master plans should clearly state this fact. Tie the proposed project to the primary activity from the agency’s activity inventory.

Note: The project rationale is driven by agency or institutional mission and should not be written by an objective external consultant.

Operational Program Issues

This subsection contains a restatement of the statutory and other requirements that drive the operational program. Program dictates design and decisions made early on ultimately affect costs. For example, a new science building with a rooftop observatory will dictate the location of other programs within the building and the siting of the building for unobstructed view of the sky.

- What are the statutory or judicial requirements that drive the project's operational programs? How do these affect the need for space, location, or physical accommodations?
- Distinguish between mandatory requirements and requirements for future growth. For example, a mandatory caseload or enrollment change arises from an explicit statutory requirement for state-funded services. A change in the demand or the need for a service is not mandatory unless the recipients of that service or benefactors of the activity are entitled by statute or rule.
- Summarize the agency's or institution's approved operational program for the project. Detailed information belongs in the report appendix.
- Where did the approval for the program originate? What divisions or programs will be part of the project? How many FTEs are involved? Who will pay? See also the budget section.
- What are the anticipated results from the proposed project?

Needs analysis and planning process

Summarize the needs analysis and planning process for the project. Explore alternatives that will be considered to meet the project's operational program requirements. For further discussion in the predesign, frame the discussion of each of these categories over a ten-year timeframe:

What options have already or will be considered during the predesign process?

- Co-location and/or consolidation
- Renovation
- Rearrangement of uses or users (adjacency needs, back-filling scenarios)
- Leasing
- No action

Be sure to address the “no action” alternative. Describe the consequences to the public service delivery, stakeholders and client-groups of not building, remodeling or renovating. Other categories may be added.

Issues identification

*Plan for the future
Consider operating
savings
Express your agency's
values beyond
acquiring new,
improved space*

Identify issues for predesign, particularly those that will need further study. Categories might include: information technology, energy conservation, telecommunications and transportation demand management, architectural and engineering programming, and general design concepts to be addressed in predesign. This is the stage to identify sustainable building practices, energy conservation and operational savings. Many higher up-front costs will pay off in the long run, particularly for high quality buildings with 50 to 100-year life spans.

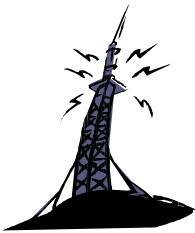
Co-location projects should consider:

- Central source for customer service
- Efficiencies by reducing staff travel time and combining similar activities
- Demonstrated reduction in capital costs
- Reduction in operating costs by sharing costly technical systems and programs

All projects should consider:

- Energy efficient siting and building issues
- Sustainability and “green building” design issues, practices, and building components
- Effective use of technology to reduce operating and capital costs

Contact the Energy Program, Division of Engineering and Architectural Services at (360) 902-7194 or (360) 902-7272 for technical assistance.



Site feasibility

This section contains basic data that should be available for consultants to start work on the predesign. Some of the items below will be fleshed out in predesign, but work should already be underway in the planning process to judge whether or to what degree a particular site or sites are appropriate for development.

What is known?

Identify the existing site studies that are available, have already been completed or are underway. Link this information with the history of the site.

What additional information is needed for predesign?***Can costly mitigation requirements be minimized by either changing the location or the project approach to avoid the impact in the first place?***

- Ownership.
- Acquisition issues, including timing.
- Reproved development. Has the local jurisdiction been contacted yet?
- Easements -- existing and required for new development.
- Location, description and dimensions.
- Wetlands and shoreline impacts. Has a wetlands delineation been conducted? Will existing wetlands need to be filled? Is the site affected by shoreline jurisdiction?
- Presence of archaeological or historic assets or possible contamination of the site.
- Setback requirements.
- Adjacent facilities and site features.
- Neighborhood and “good neighbor” issues.
- Green space and natural amenities that need to be preserved or accorded special treatment during development.
- Environmental issues and site mitigation.
- Utility extension or relocation issues.
- Parking and access issues. How is the site accessed? What improvements will be required by local ordinances? Can parking demand be reduced to reduce the need for extra parking stalls? How will the site accommodate parking? Tie into issues for predesign, and link to transportation demand management.
- Impact on existing development with construction lay down site and construction phasing.

***Projects without
selected sites***

Projects without specific sites should include an initial definition of site selection criteria.

**Budget
development****Relate the budget to
the scope of work**

- Relate the budget for the project to that identified in the scope of work. There is a tendency to alleviate deferred maintenance conditions that are incidental to remodeling projects by making them part of the project scope of work, thereby hiding the charges. A scope of work may not be extended for the sole purpose of remedying a deferred maintenance condition.

**Is existing space
effectively utilized?**

- Before budgeting for new space, ensure that all existing space is effectively utilized before new space is proposed. This will require an update of the agency or institution's space inventory. If existing space is available to meet program requirements, renovation or reuse is an alternative way to satisfy the program requirements. Include discussion on how space might be backfilled or renovated to reduce overall space needs. Provide justification for deconstruction of existing space or space left vacant that might meet the program needs.

**Space needs
assessment**

Conduct a space needs assessment with the following minimum steps:

- Calculate and project space needs by using currently recognized space planning guidelines. Identify the guidelines used.
- Compare space needed to space currently assigned and space proposed to be retained by the affected units. Put in table form with explanatory notes as needed.
- Determine the deficits of space for program function that justify the capital project.
- Determine the impact of the project on the agency or institution's overall space deficit.

Cost planning Cost control range

Cost planning is different from cost estimating. Cost planning occurs before designs have been prepared. It relies on historical or standard industry data to predict the project's overall costs. It answers the question, "Within what range will the project budget fall after the project is fully designed?" Cost estimating measures only the project actually described in drawings and specifications. The Project Request Report is not intended to produce cost estimate level data.

Cost planning should consist of the following minimum information.

Relate the space needs to a projected cost per square foot.

Identify the expected cost range for the project. Use industry standard cost guidelines such as R.S. Means. For projects not readily represented by industry standards, use internal historical data and comparison data for similar development in other states. Include the source of the data in your narrative as well as backup for your cost range.

Informed responses are possible for projects without known sites or project sizes. Use square foot ranges and an estimate range for site development, including property acquisition. The predesign funding will enable agencies and institutions to build a realistic project budget in the C100 format. (See Appendix C.) Cost planning level information for the Project Request Report is translated to the Predesign C2 Form (Capital Project Request Report Summary) that is found in Appendix D and in the Predesign Manual.

Projects outside cost control ranges

For projects outside a recognized cost control range, additional information is required to explain why the range is inappropriate or too general for the proposed facility.

Justification for development outside the cost control range may include specific and justifiable need for a facility of higher cost or quality (e.g., a signature building constructed primarily from gifted or non-state funds that permit the cost or quality exceedence).

Funding sources



- Identify the fund sources and proposed funding sequence for construction.
- What alternative financing will be considered?

Operating budget impacts

Show operating costs over three biennia in table form. Estimate the project's effects on operating budgets including staffing levels and corresponding salaries, building repair, replacement and maintenance.

- What are the operating budget impacts during the project? Provide a staffing plan that includes in-house staffing requirements (FTEs) for the project.
- Identify projected impacts in operational costs. Operational costs should detail the net new costs in a table showing existing operational costs, projected new costs and the net differences.
- How will additional operational costs be funded after the project is complete? Provide detail on fee generated and other revenue, including a full description of the fees and the assumptions used in making projections. Discuss contingency plans if fees are below projections. A detailed business plan may be required in the predesign report.
- For alternate financed projects, provide a comprehensive financing plan that documents the flow of revenues and expenditures, and demonstrates that sufficient fund balance exists in the dedicated accounts used for payment of debt service.



Schedule



Break down the key events of the project and include beginning and end dates of all. Include all proposed phases. Highlight the anticipated substantial completion and occupancy dates.

Note the midpoint of construction. This date is important because it will be used later for tracking cost inflation and budget impacts of delaying or accelerating a construction proposal. For the purpose of definition, midpoint of construction is the date midway between the commencement date of construction and the date of substantial completion.

Provide funding sequence information if applicable.

Implementation Approach



This section serves as the organizing framework for future decision-making. Discuss the overall direction for further work on the project.

- Identify roles and responsibilities for the project.

Caveat: Be sure a key component of your project predesign team includes people who will have an eye on operating impacts, both from a budget standpoint and from a building operations and maintenance standpoint.

- What are the in-house staffing requirements for the proposed project?

List a contact person and telephone number for someone who can answer technical and policy questions related to this project request.

Discuss key elements relative to how the project might be executed as well as procedures — GC/CM, Design Bid Build, Design Build or Lease Development (with or without ownership option) — methods or resources available or needed for the proposed project.

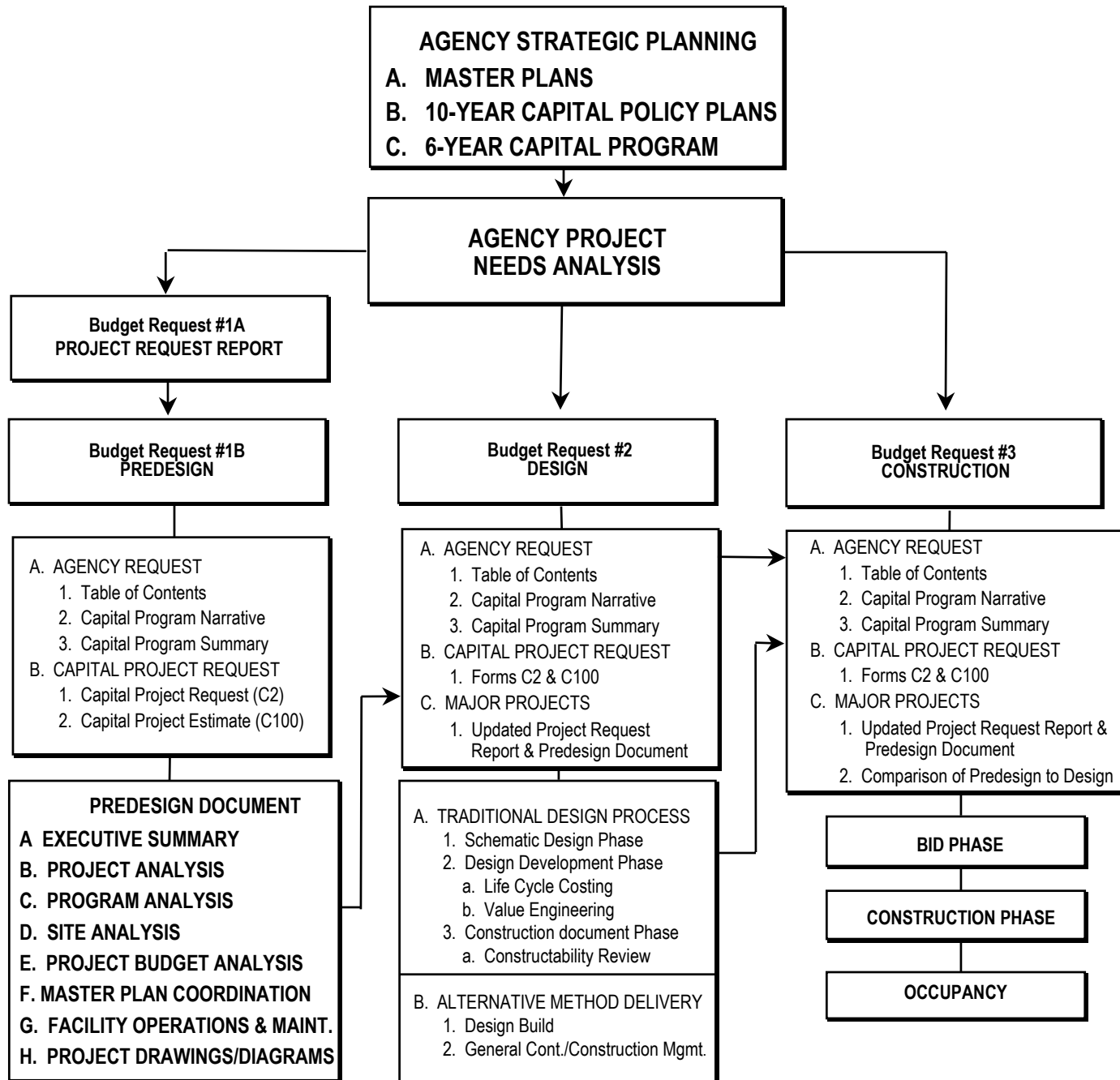
**Optional
Appendix**



In addition to the Project Request Report, agencies may decide to include additional information. This information belongs in an appendix. Keep in mind that the goal is still to avoid notebooks and bookshelf documents. Examples of additional supporting information may include but are not restricted to:

- The agency strategic plan, relevant excerpts or site maps from agency master plan or local jurisdiction comprehensive plans
- Agency performance standards
- Other special reports or details summarized in the Project Initiation Report
- Details on programs, divisions or units
- Detailed business plan, if developed

Figure 1
State of Washington
CAPITAL BUDGET PROCESS - MAJOR PROJECTS



Guidelines for Determining Architect/Engineer Fees for Public Works Building Projects

Note: These guidelines have been revised and are in effect for projects starting design on or after July 1, 2005.

For the purpose of budgeting for capital projects, the estimated value of the Architectural/Engineering (A/E) Basic Services fee (Exhibit A) can be determined by use of these guidelines. These fee guidelines are divided into three levels determined by the type and complexity of the building, and are to be used for preparation of capital budget requests for Washington State public works building projects under the jurisdiction of the Department of General Administration, universities, natural resource agencies, and the Department of Transportation. A/E Basic Services are defined in this document.

The payment of A/E fees represents some of the most important dollars spent on a project. These funds are an investment that affects both the quality and successful completion of a project. Recognizing this, calculation of a fee structure to obtain quality design at a reasonable cost presents a challenge. There are pros and cons associated with any system used to set fees, and there is great variation in the types and complexity of state construction projects.

These fee guidelines originally were the outcome of a study coordinated by the Office of Financial Management (OFM), which included the Washington Council of the American Institute of Architects, the American Council of Engineering Companies of Washington, universities, and other state agencies, which reviewed other fee guidelines and contacted other states to identify approaches used. Also, within state government, state agencies documented examples where the existing fee system posed problems, and they developed specific suggested changes that would improve the state system. Higher education agencies provided evaluations of the scope, magnitude, and methods used to establish fees for design services at peer institutions. Updates to the fee guidelines have considered issues raised by the design community and state agencies.

Use of the Guidelines

These fee guidelines should be used in preparing capital budget requests to determine the A/E Basic Services fee in fixed price agreements and percent of construction cost agreements. The guidelines define the standard basic services (based on the definition of basic services) that should be included in each design phase of state public works projects for the typical design/bid/build process. They also provide further definition of what are considered reimbursable expenses, extra and other services.

Agencies may choose to pay design consultant fees or allow extra and other charges in a manner other than described in these guidelines, and any additional cost (above the level provided by the guidelines) may be paid from other agency resources.

Percent Fee Compensation

The standard fee schedule has been prepared to establish a basis for determining the scope and cost of design services and focus the attention of agencies on the quality, capability, and prior performance of the firms being selected for public works projects.

The fee schedule is to be used for capital budget request preparation. The actual contracts for basic services payable to the A/E shall be a negotiated fixed amount or a percentage of the construction cost of the project not including fees, licenses, permits, sales taxes, and change orders caused by A/E errors or omissions, or change orders which do not require services of the design consultant. Based on the specific circumstances of each project, the final negotiated fee may be above or below the guidelines shown on the schedule. Pending a construction contract award, the percent-based A/E fee for basic services shall be computed using the Maximum Allowable Construction Cost (MACC) estimated at the time of bid. In addition to the basic services fee, allowances will be negotiated for services not covered in the basic services contract.

Maximum Allowable Construction Cost

The Maximum Allowable Construction Cost (MACC) is defined as the total sum available to the A/E for construction purposes, including all alternates. The MACC excludes Washington state sales tax, professional fees, project contingency funds, or other charges that may not be under the scope of the architect (see Form C100). The A/E basic services fee is based on the MACC inflated to the midpoint of construction. For General Contractor/Construction Manager (GC/CM) projects, the A/E basic services fee is based on the MACC less the GC/CM risk contingency (see Form C100A).

Remodel Design

A/E costs and effort may vary greatly between individual remodeling projects of the same dollar amount. Consequently, each project will be analyzed on an individual basis. As a general rule, the fee will be based upon the building type classification. When program changes are significant or other conditions warrant, fees noted under those schedules **may** be increased by *up to two percent* for basic services. The factors to be considered include:

- Age and character of the building.
- Availability and accuracy of existing plans and specifications.
- Extent and type of program revisions.
- Requirement to maintain the building's existing character.
- Extent of mechanical and electrical involvement.

Phased construction in occupied buildings may substantially affect the construction schedule. More field observation and coordination may require consideration of additional fees beyond the basic services contract amount.

Fee Modifications

It is recognized that there may be considerable variance between projects of a similar size and type that may necessitate modification of the A/E fee schedule. Examples of special circumstances that may necessitate such modifications include:

- Unusual site conditions.
- Unique problems requiring specialized or extensive consulting services.
- Renovations required by additions to an existing structure.
- Unusually slow or fast development schedule (fast track, design build, GC/CM)
- Contractor design (fire protection systems).
- Large portions of work that are outside the control of the prime architect (wetlands mitigation).

Other circumstances where a fee modification may be appropriate include the following:

Repetitive Design

Where all or part of a project is a site adaptation of a previous design, the basic services fee shall be negotiated recognizing the reduced level of services. Usually, this reduces the Program Analysis, Design, and Bidding Document Preparation costs to an amount necessary to update the documents for site work, code revisions, etc. Reductions must be considered on a case-by-case basis.

Equipment and Substantially Reduced Work Requirements

Where a project involves a substantial amount of expensive equipment that may be relatively easy to accommodate, fees should be reduced accordingly. Likewise, any contract or modification to a contract where work requirements are substantially less than indicated by the application of a percentage fee need to be addressed separately. Projects with disproportionate elements of high cost, such as earth moving, may be relatively easy to design and fees should be reduced accordingly.

Prototype Design

The initial design of a prototype facility, such as a housing unit at an institution, may warrant a full design fee based on the previous development of the prototype. However, the fee for A/E basic services for all additional replications of the prototype constructed at the same time or at other locations in the future shall be calculated at 40 percent of full fees.

Policy Regarding Geographic Location of Consultant

It is the state of Washington's policy to obtain the highest quality design services for a fair and equitable payment to the design firm. The state recognizes that the investment for quality design services is directly related to a well-organized construction process and maximum functionality of the completed project. With this in mind, proposals for design services will be accepted from all firms wishing to work for the state, and evaluated based on the firm's capability, competency, and experience in successfully completing similar projects.

The fee structure should be appropriate for each project, regardless of the location of the consultant. The basic services fee includes all travel costs associated with the performance of basic services within a 50-mile radius of the project. General expenses for the cost of travel and per diem between 50 and 350 miles shall be based on state rates and may be reimbursable to the extent they are reasonable and negotiated within the A/E agreement. Travel expenses beyond 350 miles for both the agency and consultants must be justified in writing when submitting a budget request to OFM.

Basic Services Fee Breakdown

The following is a guide for breaking down the A/E fee into approximate percentages for each phase of work. Although it is not intended to be absolute, significant deviations should be closely reviewed. The intent of this guide is to ensure that design requirements progress in an orderly manner and that essential planning and system development occur at a stage where it is most beneficial to the project. Essential elements of the work should be completed and approved prior to initiating succeeding design phases. For a more detailed explanation of the activities normally included in each phase, please see the A/E Basic Services section.

The basic fee categories are described in greater detail below:

Project Phase	Percent of Basic Services Fee
Schematic Design	13
Design Development	20
Construction Document	36
Bidding	2
Construction	27
Project	2

A/E Basic Services

A/E Basic Design Services consist of the services described in the following pages and are included on the Capital Project Cost Estimate Form C100, section B-2. These design services include normal architectural, structural, civil, mechanical, and electrical engineering services.

Schematic Design Services (13 Percent)

In the Schematic Design Phase, the A/E provides those services necessary to prepare Schematic Design Documents consisting of drawings and other documents illustrating the general scope, scale, and relationship of project components for approval by the agency. Design should be conceptual in character, based on the requirements developed during the Predesign Phase, approved by the agency, or program requirements provided by the agency and reviewed and agreed upon by the A/E. Schematic design includes the following:

Project Administration	Services consisting of schematic design administrative functions including consultation, meetings and correspondence, and progress design review conferences.
Disciplines Coordination	Coordination between the architectural work and engineering work and other involved consultants for the project. When specialty consultants are used, additional coordination beyond basic services may be required and negotiated for appropriate phases of the work.
Document Checking	Review and coordination of project documents.
Consulting Permitting Authority	Consultations, research of critical applicable regulations, preparation of written and graphic explanatory materials. The services apply to applicable laws, statutes, regulations, and codes.
Data Coordination User Agency	Review and coordination of data furnished for the project by the agency.
Architectural Design	Services responding to scope of work (program/predesign) requirements and consisting of preparation of conceptual site and building plans, schematic sections and elevations, preliminary selection of building systems and materials, development of approximate dimensions, areas and volumes.
Structural Design	Services consisting of recommendations regarding basic structural material and systems, analysis, and development of conceptual design solutions.
Mechanical Design	Services consisting of consideration of alternate materials, systems and equipment, and development of conceptual design solutions for energy sources/conservation, heating, ventilating and air conditioning (HVAC), plumbing, fire protection, and general space requirements.
Electrical Design	Services consisting of consideration of alternate systems, recommendations regarding basic electrical materials, systems and equipment, analysis, and development of conceptual design solutions for power service and distribution, lighting, communication raceways, fire detection and alarms, and general space requirements.
Civil/Site Design	Services consisting of site planning including layout of site features, building position, preliminary grading, location of paving for walkways, driveways and parking, and fencing locations. Also included are the normal connections required to service the building such as water, drainage, and sanitary systems, if applicable.
Specifications	Services consisting of preparation for agency's approval of proposed development of architectural outline specifications, and coordination of outline specifications of other disciplines.
Materials Research	Services consisting of identification of potential of architectural materials, systems, and equipment.
Scheduling	Services consisting of reviewing and updating previously established project schedules or initial development of schedules for decision making, design, and documentation.

Cost Estimating	Services consisting of development of a probable construction cost from quantity surveys and unit costs of building elements for the project. Costs shall reflect the level of design elements presented in the Schematic Design documents, plus appropriate design contingencies to encompass unidentified scope ultimately included in the program. Assist user agency with analyzing scope, schedule, and budget options to stay within the MACC.
Presentations	Services consisting of appropriate presentation(s) of Schematic Design documents by the A/E to agency representatives

Design Development Services (20 Percent)

In the Design Development Phase, the A/E shall provide those services necessary to prepare from the approved Schematic Design Documents, the Design Development Documents consisting of drawings and other documents to fix and describe the size and character of the entire project for approval by the agency. Consideration shall be given to availability of materials, equipment and labor, construction sequencing and scheduling, economic analysis of construction and operations, user safety and maintenance requirements, and energy conservation. Design Development includes the following:

Project Administration	Services consisting of design development administrative functions including consultation, meetings and correspondence, and progress design review conferences with user agency.
Disciplines Coordination	Coordination of the architectural work and the work of engineering with other involved consultants for the project.
Document Checking	Review and coordination of documents prepared for the project.
Permitting Authority Consulting	Consultations, research of critical applicable regulations, preparation of written and graphic explanatory materials. The services apply to applicable laws, statutes, regulations, and codes. Assist in obtaining approval from approving agencies as required.
User Agency Data Coordination	Review and coordination of data furnished for the project by the agency.
Architectural Design	Services consisting of continued development and expansion of architectural Schematic Design Documents to establish the final scope, relationships, forms, size, and appearance of the project through plans, sections and elevations, typical construction details, three dimensional sketches, materials selections, and equipment layouts.
Structural Design	Services consisting of continued development of the specific structural system(s) and Schematic Design Documents in sufficient detail to establish basic structural system and dimensions, structural design criteria, foundation design criteria, preliminary sizing of major structural components, critical coordination clearances, and outline specifications or materials lists.

Mechanical Design	Services consisting of continued development and expansion of mechanical Schematic Design Documents and development of outline specifications or materials lists to establish approximate equipment sizes and capacities, preliminary equipment layouts, required space for equipment, chases and clearances, acoustical and vibration control, visual impacts, and energy conservation measures.
Electrical Design	Services consisting of continued development and expansion of electrical Schematic Design Documents and development of outline specifications or materials lists to establish criteria for lighting, electrical and communication raceways, approximate sizes and capacities of major components, preliminary equipment layouts, required space for equipment, chases, and clearances.
Site Design	Services consisting of continued development of civil/site Schematic Design documents and development of outline specifications required for the project that are normally prepared by the architect. See Extra Services for detailed civil design services beyond basic services.
Specifications	Services consisting of preparation for agency's approval of proposed General and Supplementary Conditions of the Contract for construction, development of architectural outline specifications, coordination of outline specifications of other disciplines, and production of design manual including design criteria, and outline specifications of materials lists.
Scheduling	Services consisting of reviewing and updating previously established schedules for the project.
Cost Estimating	Services consisting of development of a probable construction cost from quantity surveys and unit costs of building elements for the project. Costs shall reflect the level of design elements presented in the Design Development documents, plus appropriate design contingencies to encompass unidentified scope ultimately included in the program. Assist user agency with analyzing scope, schedule and budget options to stay within the MACC.
Presentations	Services consisting of appropriate presentation(s) of Design Development documents by the A/E to agency representatives.

Construction Document Services (36 Percent)

In the Construction Documents Phase, the A/E shall provide those services necessary to prepare for approval by the agency, from the approved Design Development Documents, Construction Documents consisting of drawings, specifications, and other documents setting forth in detail the requirements for construction of the project and bidding and contracting for the construction of the project.

Project Administration	Services consisting of construction documents, administrative functions including consultation, meetings and correspondence, and progress design review conferences.
Disciplines Coordination	Coordination of the architectural work, with the work of engineering, and with other involved consultants for the project.
Document Checking	Review and coordination of documents prepared for the project.
Permitting Authority Consulting	Consultations, research of critical applicable regulations, preparation of written and graphic explanatory materials. The services apply to applicable laws, statutes, regulations, and codes. Assist in obtaining approval from approving agencies as required.
User Agency Data Coordination	Review and coordination of data furnished for the project by the agency.
Architectural Design	Services consisting of preparation of drawings based on approved Design Development Documents setting forth in detail the architectural construction requirements for the project.
Structural Design	Services consisting of preparation of final structural engineering calculations, drawings and specifications based on approved Design Development Documentation, setting forth in detail the structural construction requirements for the project.
Mechanical Design	Services consisting of preparation of final mechanical engineering calculation, drawings and specifications based on approved Design Development Documentation, setting forth in detail the mechanical construction requirements for the project.
Electrical Design	Services consisting of preparation of final electrical engineering calculation, drawing and specifications based on approved Design Development documentation, setting forth in detail the electrical construction requirements for the project.
Site Design	Services consisting of preparation of final civil/site design drawings and specifications based on approved Design Development documentation required for the project which are normally prepared by the architect. See Extra Services for detailed civil design services beyond basic services.
Specifications	Services consisting of activities of development and preparation of bidding documents, Conditions of the Contract, architectural specifications, coordination of specifications prepared by other disciplines, and compilation of project manual.
Cost Estimating	Services consisting of development of a probable construction cost from quantity surveys and unit costs of building elements for the project. Costs shall reflect the level of design elements presented in the Construction documents plus appropriate design contingencies to encompass unidentified scope ultimately included in the program. Assist user agency with analyzing scope, schedule, and budget options to stay within the MACC.
Scheduling	Services consisting of reviewing and updating previously established schedules for the project.

User Agency Assistance Provide necessary information to user agency for the preparation of OFM requirements for release of allotments including preparation of cost statistics.

Bidding Phase (2 Percent)

In the Bidding Phase, the A/E, following the agency's approval of the Construction Documents and the most recent statement of probable construction cost, shall provide those services necessary for the A/E to assist the agency in obtaining bids and in awarding and preparing contracts for construction. In the case of phased construction, the agency may authorize bidding of portions of the work.

Project Administration	Services consisting of bidding administrative functions.
Disciplines Coordination	Coordination between the architectural work and the work of engineering and other involved consultants for the project.
Bidding Materials	Services consisting of organizing, coordinating, and handling Bidding Documents for reproduction, distribution and retrieval, receipt and return of document deposits.
Addenda	Services consisting of preparation and distribution of Addenda as may be required during bidding and including supplementary drawings, specifications, instructions, and notice(s) of changes in the bidding schedule and procedure.
Bidding	Services consisting of participation in pre-bid conferences, responses to questions from bidders, and clarification or interpretations of the bidding documents, attendance at bid opening, and documentation and distribution of bidding results.
Analysis of Substitutions	Services consisting of consideration, analysis, comparisons, and recommendations relative to substitutions proposed by bidders prior to receipt of bids.
Bid Evaluation	Services consisting of validation of bids, participation in review of bids and alternates, evaluation of bids, and recommendation on award of contract.
Contract Agreements	Assist using agency in notification of contract award, assistance in preparation of Construction Contract agreements when required, preparation and distribution of sets of contract documents for execution of the contract, receipt, distribution and processing, for agency approval, of required certificates of insurance, bonds and similar documents, and preparation and distribution to contractor(s) on behalf of the agency, of notice(s) to proceed with the work.

Construction Contract Administration Phase (27 Percent)

In the Construction Contract Administration Phase, the A/E shall provide those services necessary for the administration of the construction contract as set forth in the General Conditions of the Contract for Construction.

Project Administration	Services consisting of construction contract administrative functions including consultation, conferences, communications, and progress reports.
Disciplines Coordination	Coordination between the architectural work and the work of engineering and other involved consultants for the project. Reviewing and checking of documents (required submittals) prepared for the project.
Document Checking	
Permitting Authority Consulting	Services relating to applicable laws, statutes, regulations and codes of regulating entities relating to the agency's interests during construction of the project.
Construction Administration	Services consisting of processing of submittals, including receipt, review of and appropriate action on shop drawings, product data, samples, and other submittals required by the contract documents. Distribution of submittals to agency, contractor, and field representatives as required. Maintenance of master file of submittals and related communications.
Construction Field Observation	Services consisting of visits to the site at intervals appropriate to the stage of construction or as otherwise agreed to become generally familiar with the progress and quality of the work and to determine in general if the work is proceeding in accordance with the contract documents, and preparing related reports and communications. A/E to chair project meetings.
Project Representation	Services consisting of assisting the agency in selection of full- or part-time project representative(s).
Documents	Services consisting of preparation, reproduction, and distribution of clarification documents and interpretations in response to requests for clarification by contractors or the user agency. Maintenance of records and coordination of communications relative to requests for clarification or information (RFI). Preparation, reproduction and distribution of drawings and specifications to describe work to be added, deleted or modified, review of proposals, review and recommend changes in time for substantial completion, assisting in the preparation of modifications of the contracts and coordination of communications, approvals, notifications, and record-keeping relative to changes in the work. Additional fees for changes to the scope of a project shall be negotiated.
Scheduling	Services consisting of monitoring the progress of the contractors relative to established schedules and making status reports to the user agency.
Cost Accounting	Services consisting of maintenance of records of payments on account of the contract and all changes thereto, evaluation of applications for payment and certification thereof, and review and evaluation of cost data submitted by the contractors for work performed.

Project Closeout (2 Percent)

Project Closeout	Services initiated upon notice from the contractor that the work is sufficiently complete, in accordance with the contract documents, to permit occupancy or utilization for the use for which it is intended, and consisting of a detailed inspection for conformity of the work to the contract documents, issuance of certificate of substantial completion, issuance of a list of remaining work required (punch list), final inspections, receipt and transmittal of warranties, affidavits, receipts, releases and waivers of lien or bonds, permits, and issuance of final certificate for payment.
Record Documents (As-Builts)	Receive and review the contractors marked up field records. Supply the record documents to user agency. (Transferring the contractor's record of field changes to the original record drawings may be authorized by the owner as an additional service.)
Operations and Maintenance Manuals	Services consisting of processing, reviewing, commenting on, taking appropriate action, and transmitting Operations and Maintenance Manuals provided by the contractor to user agency.
Warranty Period	Continued assistance to investigate contract problems that arise during the warranty period.

A/E Extra Services/Reimbursables and Other Services

The majority of projects should be completed within the structure of the basic fee schedule. Some projects will be more complex and will require a range of **Extra Services/Reimbursables** and **Other Services** which will be negotiated for specific tasks. These services typically require specialist expertise and may not neatly fall within one phase of service or another. As projects become more complex, they demand a variety of special studies and services. Extra Services/Reimbursables are those services generally provided by the same A/E providing the basic services, and Other Services are those services generally provided by additional specialty consultants, either as subs to the prime A/E or as independent consultants directly contracted with the agency.

Extra services are not intended as an adjustment to basic services and should reflect actual anticipated cost. The following provides a guideline for evaluating the pricing of Extra and Other services, and establishing the eligibility of reimbursable expenses. On Form C-00, these services are listed under section B-3, A/E Extra Services/Reimbursables and section B-4, Other Services.

A. Pricing Consultants and Subconsultant Personnel

Multiplier	Negotiated rate to fall within a range of 2 to 3.2 times employee direct base salary (not including fringe benefits, taxes, retirement contributions, or profit sharing).
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Employees of Firm	Negotiated rate not to exceed a maximum of \$120 per hour.
Principal of Firm	A Principal is defined as a partner of a partnership, a stockholder of a corporation, or a duly authorized officer. The negotiated rate not to exceed \$150 per hour.
Special Consulting Services	When special consulting services not normally associated with traditional project design are necessary, the fee may be outside of the above guidelines (such as expert witness or special investigations).
Service Charge on Sub-Consultant	Ten percent service charge may be added to work incorporated by addenda to the original agreement.

B. A/E Extra Services/Reimbursable Expenses

When drafting the A/E agreement, the Project Manager should review the following lists in determining eligible reimbursable items. The lists are not all inclusive or exclusive and should only be used as a guide.

Alternative Cost Studies	Additional costing beyond the reactive estimates required in basic services as requested by the agency.
Energy Conservation Report	All projects over 25,000 square feet are required by RCW 39.35 to be analyzed for the cost of energy consumption and operation during its entire economic life.
Commissioning and Training	The cost to the A/E of assembly, tabulation, and indexing of all shop drawings and submittals on all equipment, controls, systems, and participating in an independent commissioning of the project and providing initial operator training on the maintenance of systems.
On-Site Representative	On-site observation beyond the periodic site visits required under basic services.
Thermal Scans	The cost of an examination of a structure for thermal loss on existing facilities to be remodeled.
Value Engineering Participation and Implementation	The cost to the A/E for participation in the value engineering study and implementation of the accepted ideas generated during the study.
Travel and Per Diem	The customary and approved costs to the A/E during the course of basic and additional services (based on state-approved rates and limited to between 50 and 350 miles).
Renderings, Presentations, and Models	The cost for special presentations, renderings, and models required for the project.
Document Reproduction	The additional cost of printing and mailing bidding and construction documents.
Advertising	The cost of required advertisements and placing bidding documents in plan centers announcing the bidding of the project.
Constructability Review Participation and Implementation	The cost to the A/E for participation in the constructability review and implementation of the accepted changes.

Separate Bid Packages	The cost to the A/E for preparation of separate bid packages typically used in GC/CM type projects.
Professional Liability Insurance	Where coverage is required in excess of \$1 million, reimbursement of excess premium costs will be considered as a reimbursable cost.

C. A/E Other Services

Consultant Selection Cost Additional costs for private sector members of a selection committee if required (RCW 39.80).

Specialty Consultants The cost of additional consultants beyond A/E services provided under basic services.

Acoustical Consultant

Civil/Site Design Consultant

Civil Engineering additional services may include

- Studies, reports, and calculations required to determine adequacy of existing systems or those required for permit review such as drainage, fire protection, or sewer.
- Storm drainage design and connections.
- Design or study of issues for "sensitive areas" such as wetlands, steep slopes, or flood plains.
- Water supply connections to wells, treatment systems, storage, and off-site main extensions.
- Sanitary sewer design and infrastructure.
- Road and pavement improvements.
- Storm water quality and quantity computations, reports, design and details.
- Temporary erosion and sediment control reports and drawings.
- Special studies and reports for other agencies.

Communications Consultant

Cost/Scheduling Consultant (Independent)

Electronic/Audio Visual Consultant

Elevator Consultant

Hazardous Material Consultant

Hospital/Laboratory Consultant

Interior Design Consultant

Indoor Air Quality Consultant

Kitchen Consultant

Landscape Consultant

Quality Control Consultant

Security Consultant

Geotechnical Investigation The cost of subsurface testing and evaluation.

Commissioning The cost of an independent commissioning of the project.

HVAC Balancing	The cost to balance systems
Site Survey	Cost of conducting a survey independent from design A/E.
Testing	The cost of a technician's services in acquiring and testing samples of materials used in the project as required in the State Building Code.
Energy LCCA Review	Fee to be paid for review of the energy conservation report.
Value Engineering	The cost for performing the required value engineering study on a project by an independent multi-disciplined team.
Constructability Review/Plan Check	The cost for an independent consultant or contractor to review bid documents and determine if a project can be built as designed.
Graphics	The cost of special graphic and signage design.
Design/Code Plan Check	The cost of an independent plan check if not available within the local jurisdiction.
Other	Costs for requested documents, fax expenses, and special mail service when requested by owner.

D. Non-Eligible Expenses

- Consultants hired at A/E's option to perform basic services required by contract.
- Postage and handling of submittals, bid documents, correspondence, etc.
- Telephone expenses (local calls and line service).
- Copies of documents used by the A/E to perform normal services and not provided to owner.

A/E Fee Schedule - Building Types

Schedule A

Facilities with more than average design difficulty:

Art galleries
Auditorium with stage
Communications building
Courthouses
Detention/correctional facilities -- maximum
Exposition building
Extended care facilities
Fish hatcheries
Heating and power plants
Hospitals
Laboratories (Research)
Medical office facilities and clinics
Mental Institutions
Museums
Observatories

Schedule B

Facilities with average difficulty:

Apartment
Archive building
Armories
Auditorium without stage
College classroom facilities
Computer rooms
Convention facilities
Day care families
Detention/correctional facilities- minimum and medium
Dining halls/institute
Dormitories
Fire and police stations
Gymnasiums
Laundry and cleaning facilities
Libraries

Schedule C

Facilities with less than average design difficulty:

Emergency generator facilities
Farm structures
Greenhouses
Guard towers
Industrial buildings without special facilities
Parking structures and garages
Printing plants
Prototype facilities (for any replication of previously designed facility)
Service garages
Shop and maintenance facilities

**Guidelines for Determining Architect/Engineer Fees for
Public Works Building Projects**

Appendix B

Research facilities	Neighborhood centers and similar	Simple loft-type structures
Sewer treatment plants	recreation facilities	(without special equipment)
Special schools for physically	Nursing homes	Stadium-grandstand type
disadvantaged	Office buildings	Warehouses
Theaters and similar facilities	Recreational building	
Veterinary hospitals	Residence	
Water treatment plants	Schools (primary and secondary)	
	Science labs (teaching)	
	Stadiums-multi-purpose	
	Storage-cold	
	Transportation terminals	
	Vocational schools	

EXHIBIT A
A/E FEE SCHEDULE
Effective July 1, 2005 for Projects Starting Design

MACC	SCH A	SCH B	SCH C		MACC	SCH A	SCH B	SCH C
\$500,000	12.02%	10.58%	9.13%		\$4,100,000	9.99%	8.62%	7.25%
\$600,000	11.88%	10.43%	8.98%		\$4,200,000	9.97%	8.60%	7.23%
\$700,000	11.75%	10.30%	8.85%		\$4,300,000	9.94%	8.57%	7.21%
\$800,000	11.64%	10.19%	8.74%		\$4,400,000	9.91%	8.55%	7.18%
\$900,000	11.54%	10.09%	8.64%		\$4,500,000	9.89%	8.52%	7.16%
\$1,000,000	11.45%	10.00%	8.55%		\$4,600,000	9.86%	8.50%	7.14%
\$1,100,000	11.36%	9.91%	8.46%		\$4,700,000	9.83%	8.48%	7.12%
\$1,200,000	11.28%	9.83%	8.39%		\$4,800,000	9.81%	8.46%	7.10%
\$1,300,000	11.21%	9.76%	8.32%		\$4,900,000	9.78%	8.43%	7.08%
\$1,400,000	11.14%	9.69%	8.25%		\$5,000,000	9.76%	8.41%	7.06%
\$1,500,000	11.07%	9.63%	8.19%		\$5,100,000	9.74%	8.39%	7.04%
\$1,600,000	11.01%	9.57%	8.13%		\$5,200,000	9.71%	8.37%	7.02%
\$1,700,000	10.95%	9.51%	8.07%		\$5,300,000	9.69%	8.35%	7.01%
\$1,800,000	10.89%	9.46%	8.02%		\$5,400,000	9.67%	8.33%	6.99%
\$1,900,000	10.83%	9.40%	7.97%		\$5,500,000	9.65%	8.31%	6.97%
\$2,000,000	10.78%	9.35%	7.93%		\$5,600,000	9.62%	8.29%	6.95%
\$2,100,000	10.73%	9.31%	7.88%		\$5,700,000	9.60%	8.27%	6.94%
\$2,200,000	10.68%	9.26%	7.84%		\$5,800,000	9.58%	8.25%	6.92%
\$2,300,000	10.64%	9.22%	7.80%		\$5,900,000	9.56%	8.23%	6.90%
\$2,400,000	10.59%	9.17%	7.76%		\$6,000,000	9.54%	8.21%	6.89%
\$2,500,000	10.55%	9.13%	7.72%		\$6,100,000	9.52%	8.19%	6.87%
\$2,600,000	10.51%	9.09%	7.68%		\$6,200,000	9.50%	8.18%	6.85%
\$2,700,000	10.46%	9.06%	7.65%		\$6,300,000	9.48%	8.16%	6.84%
\$2,800,000	10.42%	9.02%	7.61%		\$6,400,000	9.46%	8.14%	6.82%
\$2,900,000	10.39%	8.98%	7.58%		\$6,500,000	9.44%	8.12%	6.81%
\$3,000,000	10.35%	8.95%	7.55%		\$6,600,000	9.42%	8.11%	6.79%
\$3,100,000	10.31%	8.91%	7.52%		\$6,700,000	9.40%	8.09%	6.78%
\$3,200,000	10.28%	8.88%	7.49%		\$6,800,000	9.39%	8.07%	6.76%
\$3,300,000	10.24%	8.85%	7.46%		\$6,900,000	9.37%	8.06%	6.75%
\$3,400,000	10.21%	8.82%	7.43%		\$7,000,000	9.35%	8.04%	6.74%
\$3,500,000	10.18%	8.79%	7.40%		\$7,100,000	9.33%	8.03%	6.72%
\$3,600,000	10.14%	8.76%	7.38%		\$7,200,000	9.31%	8.01%	6.71%
\$3,700,000	10.11%	8.73%	7.35%		\$7,300,000	9.30%	8.00%	6.69%
\$3,800,000	10.08%	8.70%	7.32%		\$7,400,000	9.28%	7.98%	6.68%
\$3,900,000	10.05%	8.68%	7.30%		\$7,500,000	9.26%	7.97%	6.67%
\$4,000,000	10.02%	8.65%	7.28%		\$7,600,000	9.25%	7.95%	6.66%

MACC	SCH A	SCH B	SCH C
\$7,700,000	9.23%	7.94%	6.64%
\$7,800,000	9.21%	7.92%	6.63%
\$7,900,000	9.20%	7.91%	6.62%
\$8,000,000	9.18%	7.89%	6.61%
\$8,100,000	9.17%	7.88%	6.59%
\$8,200,000	9.15%	7.87%	6.58%
\$8,300,000	9.14%	7.85%	6.57%
\$8,400,000	9.12%	7.84%	6.56%
\$8,500,000	9.11%	7.83%	6.55%
\$8,600,000	9.09%	7.81%	6.53%
\$8,700,000	9.08%	7.80%	6.52%
\$8,800,000	9.06%	7.79%	6.51%
\$8,900,000	9.05%	7.77%	6.50%
\$9,000,000	9.03%	7.76%	6.49%
\$9,100,000	9.02%	7.75%	6.48%
\$9,200,000	9.00%	7.74%	6.47%
\$9,300,000	8.99%	7.72%	6.46%
\$9,400,000	8.98%	7.71%	6.45%
\$9,500,000	8.96%	7.70%	6.44%
\$9,600,000	8.95%	7.69%	6.43%
\$9,700,000	8.94%	7.68%	6.42%
\$9,800,000	8.92%	7.67%	6.41%
\$9,900,000	8.91%	7.65%	6.40%
\$10,000,000	8.90%	7.64%	6.39%
\$10,100,000	8.88%	7.63%	6.38%
\$10,200,000	8.87%	7.62%	6.37%
\$10,300,000	8.86%	7.61%	6.36%
\$10,400,000	8.85%	7.60%	6.35%
\$10,500,000	8.83%	7.59%	6.34%
\$10,600,000	8.82%	7.58%	6.33%
\$10,700,000	8.81%	7.57%	6.32%
\$10,800,000	8.80%	7.55%	6.31%
\$10,900,000	8.79%	7.54%	6.30%
\$11,000,000	8.77%	7.53%	6.29%
\$11,100,000	8.76%	7.52%	6.28%
\$11,200,000	8.75%	7.51%	6.28%
\$11,300,000	8.74%	7.50%	6.27%
\$11,400,000	8.73%	7.49%	6.26%
\$11,500,000	8.72%	7.48%	6.25%
\$11,600,000	8.70%	7.47%	6.24%
\$11,700,000	8.69%	7.46%	6.23%

MACC	SCH A	SCH B	SCH C
\$11,800,000	8.68%	7.45%	6.22%
\$11,900,000	8.67%	7.44%	6.22%
\$12,000,000	8.66%	7.43%	6.21%
\$12,100,000	8.65%	7.42%	6.20%
\$12,200,000	8.64%	7.41%	6.19%
\$12,300,000	8.63%	7.41%	6.18%
\$12,400,000	8.62%	7.40%	6.18%
\$12,500,000	8.61%	7.39%	6.17%
\$12,600,000	8.60%	7.38%	6.16%
\$12,700,000	8.59%	7.37%	6.15%
\$12,800,000	8.57%	7.36%	6.14%
\$12,900,000	8.56%	7.35%	6.14%
\$13,000,000	8.55%	7.34%	6.13%
\$13,100,000	8.54%	7.33%	6.12%
\$13,200,000	8.53%	7.32%	6.11%
\$13,300,000	8.52%	7.32%	6.11%
\$13,400,000	8.51%	7.31%	6.10%
\$13,500,000	8.50%	7.30%	6.09%
\$13,600,000	8.49%	7.29%	6.08%
\$13,700,000	8.48%	7.28%	6.08%
\$13,800,000	8.48%	7.27%	6.07%
\$13,900,000	8.47%	7.26%	6.06%
\$14,000,000	8.46%	7.26%	6.06%
\$14,100,000	8.45%	7.25%	6.05%
\$14,200,000	8.44%	7.24%	6.04%
\$14,300,000	8.43%	7.23%	6.04%
\$14,400,000	8.42%	7.22%	6.03%
\$14,500,000	8.41%	7.22%	6.02%
\$14,600,000	8.40%	7.21%	6.02%
\$14,700,000	8.39%	7.20%	6.01%
\$14,800,000	8.38%	7.19%	6.00%
\$14,900,000	8.37%	7.18%	6.00%
\$15,000,000	8.36%	7.18%	5.99%
\$15,100,000	8.36%	7.17%	5.98%
\$15,200,000	8.35%	7.16%	5.98%
\$15,300,000	8.34%	7.15%	5.97%
\$15,400,000	8.33%	7.15%	5.96%
\$15,500,000	8.32%	7.14%	5.96%
\$15,600,000	8.31%	7.13%	5.95%
\$15,700,000	8.30%	7.12%	5.94%
\$15,800,000	8.30%	7.12%	5.94%

MACC	SCH A	SCH B	SCH C
\$15,900,000	8.29%	7.11%	5.93%
\$16,000,000	8.28%	7.10%	5.92%
\$16,100,000	8.27%	7.09%	5.92%
\$16,200,000	8.26%	7.09%	5.91%
\$16,300,000	8.25%	7.08%	5.91%
\$16,400,000	8.25%	7.07%	5.90%
\$16,500,000	8.24%	7.07%	5.89%
\$16,600,000	8.23%	7.06%	5.89%
\$16,700,000	8.22%	7.05%	5.88%
\$16,800,000	8.21%	7.04%	5.88%
\$16,900,000	8.21%	7.04%	5.87%
\$17,000,000	8.20%	7.03%	5.87%
\$17,100,000	8.19%	7.02%	5.86%
\$17,200,000	8.18%	7.02%	5.85%
\$17,300,000	8.17%	7.01%	5.85%
\$17,400,000	8.17%	7.00%	5.84%
\$17,500,000	8.16%	7.00%	5.84%
\$17,600,000	8.15%	6.99%	5.83%
\$17,700,000	8.14%	6.98%	5.83%
\$17,800,000	8.14%	6.98%	5.82%
\$17,900,000	8.13%	6.97%	5.81%
\$18,000,000	8.12%	6.96%	5.81%
\$18,100,000	8.11%	6.96%	5.80%
\$18,200,000	8.11%	6.95%	5.80%
\$18,300,000	8.10%	6.95%	5.79%
\$18,400,000	8.09%	6.94%	5.79%
\$18,500,000	8.08%	6.93%	5.78%
\$18,600,000	8.08%	6.93%	5.78%
\$18,700,000	8.07%	6.92%	5.77%
\$18,800,000	8.06%	6.91%	5.77%
\$18,900,000	8.05%	6.91%	5.76%
\$19,000,000	8.05%	6.90%	5.76%
\$19,100,000	8.04%	6.90%	5.75%
\$19,200,000	8.03%	6.89%	5.75%
\$19,300,000	8.03%	6.88%	5.74%
\$19,400,000	8.02%	6.88%	5.74%
\$19,500,000	8.01%	6.87%	5.73%
\$19,600,000	8.01%	6.87%	5.73%
\$19,700,000	8.00%	6.86%	5.72%
\$19,800,000	7.99%	6.85%	5.72%
\$19,900,000	7.99%	6.85%	5.71%

MACC	SCH A	SCH B	SCH C
\$20,000,000	7.98%	6.84%	5.71%
\$20,100,000	7.97%	6.84%	5.70%
\$20,200,000	7.96%	6.83%	5.70%
\$20,300,000	7.96%	6.82%	5.69%
\$20,400,000	7.95%	6.82%	5.69%
\$20,500,000	7.94%	6.81%	5.68%
\$20,600,000	7.94%	6.81%	5.68%
\$20,700,000	7.93%	6.80%	5.67%
\$20,800,000	7.93%	6.80%	5.67%
\$20,900,000	7.92%	6.79%	5.66%
\$21,000,000	7.91%	6.78%	5.66%
\$21,100,000	7.91%	6.78%	5.65%
\$21,200,000	7.90%	6.77%	5.65%
\$21,300,000	7.89%	6.77%	5.64%
\$21,400,000	7.89%	6.76%	5.64%
\$21,500,000	7.88%	6.76%	5.63%
\$21,600,000	7.87%	6.75%	5.63%
\$21,700,000	7.87%	6.75%	5.62%
\$21,800,000	7.86%	6.74%	5.62%
\$21,900,000	7.86%	6.74%	5.62%
\$22,000,000	7.85%	6.73%	5.61%
\$22,100,000	7.84%	6.72%	5.61%
\$22,200,000	7.84%	6.72%	5.60%
\$22,300,000	7.83%	6.71%	5.60%
\$22,400,000	7.82%	6.71%	5.59%
\$22,500,000	7.82%	6.70%	5.59%
\$22,600,000	7.81%	6.70%	5.58%
\$22,700,000	7.81%	6.69%	5.58%
\$22,800,000	7.80%	6.69%	5.58%
\$22,900,000	7.79%	6.68%	5.57%
\$23,000,000	7.79%	6.68%	5.57%
\$23,100,000	7.78%	6.67%	5.56%
\$23,200,000	7.78%	6.67%	5.56%
\$23,300,000	7.77%	6.66%	5.55%
\$23,400,000	7.77%	6.66%	5.55%
\$23,500,000	7.76%	6.65%	5.55%
\$23,600,000	7.75%	6.65%	5.54%
\$23,700,000	7.75%	6.64%	5.54%
\$23,800,000	7.74%	6.64%	5.53%
\$23,900,000	7.74%	6.63%	5.53%
\$24,000,000	7.73%	6.63%	5.53%

MACC	SCH A	SCH B	SCH C	MACC	SCH A	SCH B	SCH C
\$24,100,000	7.73%	6.62%	5.52%	\$27,000,000	7.57%	6.49%	5.41%
\$24,200,000	7.72%	6.62%	5.52%	\$28,000,000	7.52%	6.45%	5.37%
\$24,300,000	7.71%	6.61%	5.51%	\$29,000,000	7.47%	6.41%	5.34%
\$24,400,000	7.71%	6.61%	5.51%	\$30,000,000	7.43%	6.37%	5.31%
\$24,500,000	7.70%	6.60%	5.51%	\$31,000,000	7.38%	6.33%	5.27%
\$24,600,000	7.70%	6.60%	5.50%	\$32,000,000	7.34%	6.29%	5.24%
\$24,700,000	7.69%	6.59%	5.50%	\$33,000,000	7.30%	6.25%	5.21%
\$24,800,000	7.69%	6.59%	5.49%	\$34,000,000	7.26%	6.22%	5.18%
\$24,900,000	7.68%	6.59%	5.49%	\$35,000,000	7.22%	6.19%	5.16%
\$25,000,000	7.68%	6.58%	5.49%	\$36,000,000	7.18%	6.15%	5.13%
\$25,100,000	7.67%	6.58%	5.48%	\$37,000,000	7.14%	6.12%	5.10%
\$25,200,000	7.66%	6.57%	5.48%	\$38,000,000	7.10%	6.09%	5.08%
\$25,300,000	7.66%	6.57%	5.47%	\$39,000,000	7.07%	6.06%	5.05%
\$25,400,000	7.65%	6.56%	5.47%	\$40,000,000	7.03%	6.03%	5.03%
\$25,500,000	7.65%	6.56%	5.47%	\$41,000,000	7.00%	6.00%	5.00%
\$25,600,000	7.64%	6.55%	5.46%	\$42,000,000	6.97%	5.97%	4.98%
\$25,700,000	7.64%	6.55%	5.46%	\$43,000,000	6.93%	5.94%	4.96%
\$25,800,000	7.63%	6.54%	5.45%	\$44,000,000	6.90%	5.92%	4.93%
\$25,900,000	7.63%	6.54%	5.45%	\$45,000,000	6.87%	5.89%	4.91%
\$26,000,000	7.62%	6.53%	5.45%	\$46,000,000	6.84%	5.87%	4.89%

SCHEDULE A = $90.0/(625+(\text{MACC}/(3758/2418))^0.38)$

SCHEDULE B = $(\text{SCHEDULE A}+\text{SCHEDULE C})/2$

SCHEDULE C = $(9.03/(57.3+(\text{MACC}/(3758/2418))^0.25))-0.02$

Guidelines for Preparing Capital Project Cost Estimates (Form C100)

The Capital Project Cost Estimate Form (Form C100) is a tool to assist agencies and institutions in creating a project construction budget. It can also be an analytical tool to help agency and institution management, as well as executive and legislative decision-makers, understand the costs and many other parameters associated with the project. And, in a similar manner, it can measure capital construction performance at both the agency/institution level and in a statewide perspective. The C100 is NOT an accounting tool; it does not create lines of cost codes and associated funds for payment of the various budgeted items.

Cost planning is different from cost estimating. Cost planning occurs before design begins and relies on historical or standard industry data to predict the project's probable cost. It answers the question, "Within what range will the project budget fall after the project is fully designed?" On the other hand, cost estimating refines the probable project cost from drawings and specifications. The C100 is a cost estimating activity that is created through more defined project information.

Agencies are required to prepare and submit **Form C100** for:

- The preferred alternative on all major capital projects exceeding \$5 million that have completed the predesign phase. If the project for which the request is being made has not undergone a Predesign Study in accordance with OFM's *Predesign Manual*, estimates of total project cost should be completed and included with the request. If a Predesign Study has been completed, a copy of the study, including an updated C100, should be submitted with the agency's request for further project appropriations.
- All requests for individual capital projects between \$1 million and \$5 million that are proposed for implementation in the 2005-07 Biennium are required to include a completed C100. Projects proposed for implementation in biennia beyond 2005-07 of the plan are NOT required to have a completed C100 form.
- All requests for alternate financed projects greater than \$1 million.
- Projects of lesser value may also include the C100 form to support the request.

The C100 identifies the principal assumptions used for cost estimates. Every project is unique; consequently, the list of cost items on the C100 is not inclusive. Cost items other than those listed on the C100 can be included, if known, or subsequently identified as more information about the project becomes available. Costs specific to each project must be developed based on the need for that project.

The C100 provides both a detailed and summarized cost estimate for capital projects. After completing a C100, you can manually enter or simply import the data from the Project Summary tab into the Budget and Allotment Support System - Capital Budget System (BASS CBS). The summarized data will be included on the C2 report that is printed from CBS. Include an electronic copy of the completed C100 (along with all other pertinent estimating information or other backup information) with your capital budget request to OFM.

General Administration Supplemental Guidelines

In order to assist client agencies in developing capital budgets, the Department of General Administration Division of Engineering and Architectural Services (E&AS) has prepared a supplement of suggested guidelines to the Capital Project Cost Estimate Instructions. For a copy of the supplement, contact E&AS at (360) 902-7272 or <http://www.ga.wa.gov/eas/EA-References/SupInst.doc>.

Sources of Cost Estimates

Cost estimates originate from the agency's technical staff, from the Division of Engineering and Architectural Services (E&AS) within the Department of General Administration or from consultants. Cost information may be derived from agency or General Administration historical information from projects similar to that being considered or from unit-cost/square-foot-cost information from industry standard estimating guides (such as R.S. Means, Dodge, or other national standards). Quantity takeoff estimates may be based on specifically determined project components and design configurations (e.g., as shown in architectural drawings and specifications).

Cost estimates are refined as more project specific information becomes known from predesign or design activities. Refined cost estimates should include the following:

- **More Specific Determinations of Project Size, Complexity, and Quality.** As more detailed quantity takeoff estimation becomes available, cost estimates should be prepared using this technique as much as possible. Even if unit-cost figures must still be used, they should be broken down into the smallest reasonable cost categories. Ultimately, detailed construction cost estimates can be prepared from the final design documents.
- **Further Identification of the Attendant Costs of the Construction Program.** Evaluate the inclusion of items such as those shown in the Capital Project Cost Estimate. Denote and provide costs for items discovered that are not shown on the form. Many such issues do not become apparent until predesign and preliminary design activities are conducted.

Design and Consulting Services Costs

Basic design services costs are automatically calculated on the C100. These fees are computed from an OFM derived fee schedule multiplier on the maximum allowable construction cost for the project.

The fee schedule considers the building type, complexity and estimated construction cost. Basic design services do not necessarily include all of the design disciplines or activities required for a particular project. Additional design services that are frequently required for many public works projects are listed on the C100.

Base Month Cost Adjustments

The cost adjustment factors provide escalation multipliers that are applied to the aggregate cost categories indicated on the cost estimate summary section of the C100. Escalation factors are determined by OFM and are automatically calculated on the various elements of the cost estimate based on the inflation rate applied to the estimated time from the base month and the design or construction event.

Project Schedule Estimates

The Project Schedule by Phase/Activity chart below provides an historically-based estimate of the duration of various activities of the design and construction, expressed as a function of project value. Other scheduling considerations also are identified. In addition, the overall schedule must account for the anticipated budget approval cycle, funding cycles, and other activity cycles particular to each agency. The planning cycle itself impacts the project development schedule.

The project scheduling process requires careful and detailed planning. Consider not only the desired start/finish dates, but also the intermediate milestones that are to be achieved. Evaluate the schedule requirements both for activities occurring before the milestones and those following. Creating even the most preliminary project schedule will involve at least two points in time: project start and project completion. Milestones may be predetermined by external constraints or established by choice, depending on the specific situation such as weather considerations.

Actual project durations depend on the adequacy of programming and planning, complexity of the design, use of concurrent activity, streamlining of the agency approval process, and the regulatory environment.

Project Schedule by Phase/Activity
Duration listed in Weeks

<u>Project Phase/Activity</u>	<u>\$20,000,000</u>	<u>\$10,000,000</u>	<u>\$5,000,000</u>	<u>\$2,000,000</u>	<u>\$700,000</u>	<u>\$300,000</u>
Predesign						
Project Assignment	1	1	1			
Scoping	4	4	3			
A/E Selection	4	4	4			
Perform Study	26	20	15			
Subtotal (Predesign)	35	29	23	0	0	0
Consultant Selection						
Project Assignment	1	1	1	1	1	1
Scope and Cost Verification	4	4	4	3	2	2
A/E Selection	6	4	4	4	2	2
A/E Fee Negotiation	2	2	2	2	1	1
A/E Agreement and NTP	1	1	1	1	1	1
Subtotal (Consultant Selection)	14	12	12	11	7	7
Design						
Schematic Design	17	15	13	10	5	3
Schematic Design Approval	2	2	2	2	1	1
Value Engineering Study *	3	2	2	2		
Design Development & Permits	17	13	11	10	5	5
Design Development Approval	2	2	2	2	1	1
Contract Documents						
Construction Documents	40	30	22	12	8	5
Constructability Review *	3	2	2	2		
Construction Documents Approval	4	4	3	2	2	2
Printing/to Bid	1	1	1	1	1	1
Subtotal (Design & Documents)	89	71	58	43	23	18
Construction						
Bid Period	4	4	4	3	2	2
Contract Award	2	2	2	1	1	1
Contract Notice to Proceed	1	1	1	1	1	1
Subtotal (Bid to Award)	7	7	7	5	4	4
Construction Time	90	72	60	44	33	20
Punchlist/Closeout	8	8	6	6	3	2
Commissioning *	8	8	6	6	3	2
Subtotal (Construction)	106	88	72	56	39	24
<u>Approximate Project Time (Predesign not included)</u>						
Total in Weeks	216	178	149	115	73	53
Total in Months	54	44.5	37.3	28.8	18.3	13.3
Total in Years	4.2	3.4	2.9	2.2	1.4	1

* Can overlap with other tasks

Using the C100 Workbook

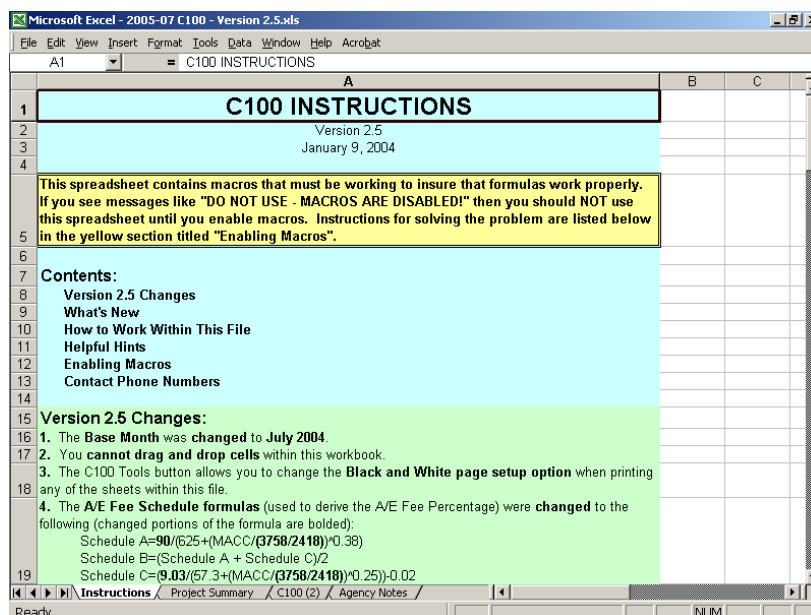
The C100 is an Excel workbook that is protected. Consequently, the worksheets within it cannot be moved or deleted in the usual manner. This protection is necessary to ensure an accurate rollup of the C100 detail in the format required by CBS for data import. As a result of this protection, you will find that many Excel functions are disabled while you are working within this file. These differences are listed in the Instruction tab within the C100.

More information on the Excel C100 Template and Project Summary can be found on-line at www.ofm.wa.gov/budget/forms.htm.

C100 Worksheets

The C100 contains the following worksheets:

Instructions worksheet: Contains a quick summary of new features and instructions on how to use the new features within the file. It also gives some helpful hints on how to work most efficiently, help in getting the macros running, and contact information when you have questions.



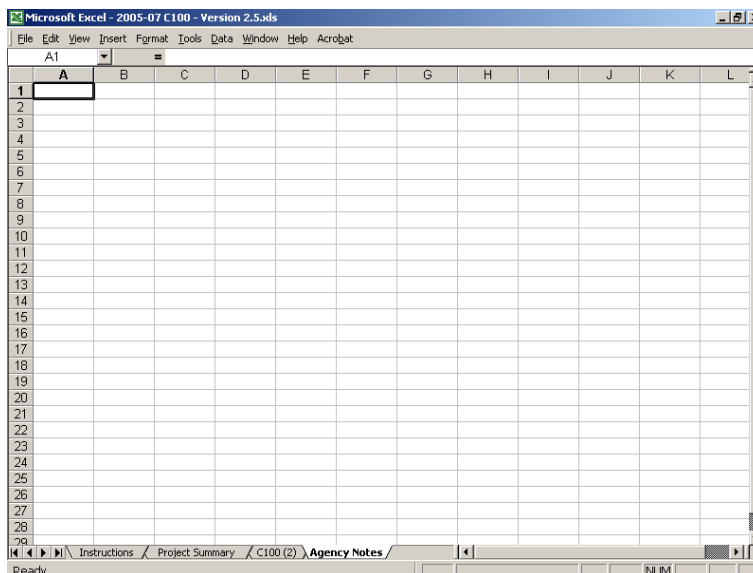
Project summary worksheet: Summarizes all C100 worksheets within the C100 to the level required by CBS. Once the entire C100 is completed you can import the data from this worksheet directly into a project in CBS. Or you can enter it manually.

STATE OF WASHINGTON			
AGENCY/INSTITUTION PROJECT COST SUMMARY			
Show C100 Tools			
Agency			
Project Name			
Project Number			
Contact Information			
Analysis Date			
Analysis By			
Contact Phone Number			
Statistics			
Gross Square Feet	Primary	Secondary	Total
Net Square Feet	0	0	
Efficiency	0%	0%	
Escalated MACC Cost per Sq.Ft.	0	0	
Building Type			
Is project a remodel?			
A/E Fee Class			
A/E Fee Percentage			
Schedule			
	Start Date	End Date	
Predesign (mm-yyyy)			
Design (mm-yyyy)			
Construction (mm-yyyy)			
Construction Duration (months)			

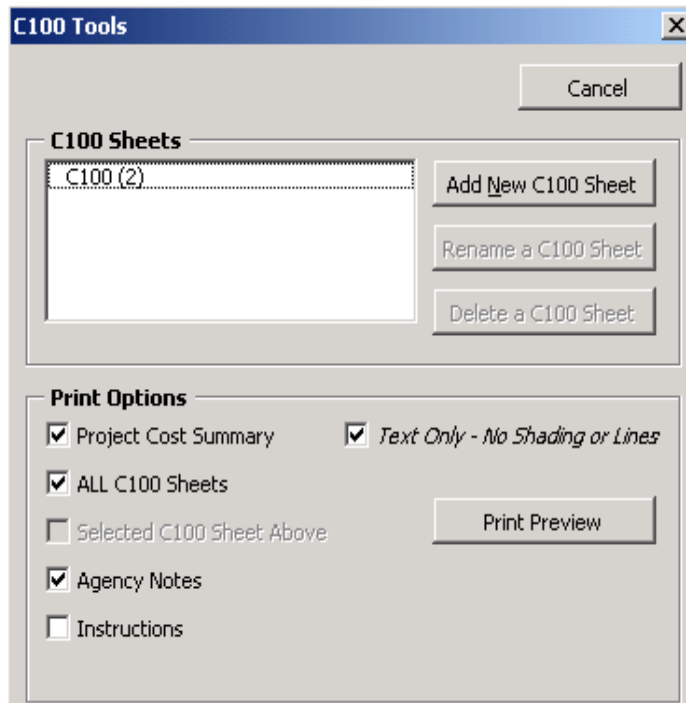
C100 worksheet: A cost estimate worksheet for the entire project or a sub project. It uses current year cost estimates, project schedule, type of project and various rates to provide escalated costs of the final project. Each C100 worksheet is calculated independently from other C100 worksheets within the same C100. This allows you to have more than one C100 worksheet within a single C100. For example, you may be repairing the roofs on several buildings at different times during the biennium. In this case, you could have a C100 worksheet for each building. Totals of the entire project are summed up on the Project Summary worksheet.

STATE OF WASHINGTON			
AGENCY/INSTITUTION PROJECT COST ESTIMATE			
Show C100 Tools			
AGENCY:		Analysis Date:	
PROJECT NAME:		Analysis By:	
PROJECT NUMBER:		Contact Phone #:	
LOCATION:			
WARNING: Design & Construction dates are used to escalate costs. Some sections will have ZERO escalated costs when dates are missing! A Design Date is Missing! A Construction Date is Missing!			
Statistics			
Gross Square Feet	Primary	Secondary	
Net Square Feet			
Efficiency	0%	0%	
Estimated Cost per SF	0	0	
Building Type			
Is project a remodel?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
A/E Fee Class			
A/E Fee Percentage	0.00%	0.00%	
Project Schedule			
		Start Date	
1. Predesign (m/d/yyyy):			
2. Design (m/d/yyyy):			
3. Construction (m/d/yyyy):			
5. Construction Duration (in Months):		0	
State Construction Inflation Rate:		3.00%	
Base Month:		Jul-2004	
Project Cost Summary			
Primary MACC (escalated):		\$0	
Secondary MACC (escalated):		\$0	
Current Project Total:		\$0	
Escalated Project Total:		\$0	
Includes Formula Overrides:		No	

Agency Notes worksheet: Agencies can keep their own notes about the project on this worksheet. It can be formatted and customized by each agency.



Adding, deleting, renaming and printing worksheets – Press the “Show C100 Tools” button located in the upper left corner of the Project Summary or C100 worksheets. The following C100 Tools screen will be displayed.



C100 Options: The upper section labeled “C100 Sheets” gives you the ability to add New C100 worksheets, rename C100 worksheets or to delete C100 worksheets.

Add a New C100 Worksheet: Press the “Add New C100 Sheet” button to add a new C100 worksheet to the C100 workbook using a default worksheet name (e.g., C100(3)).

Rename a C100 Sheet: Select one of the C100 Sheets listed under “C100 Sheets”. Press the “Rename a C100 Sheet” button and you will be prompted to enter a new name for the selected C100 worksheet.

Delete a C100 Sheet: Select one of the C100 Sheets listed under “C100 Sheets”. Press the “Delete a C100 Sheet” button. You will be prompted to make sure you really want to delete the selected sheet.

Print Options: The lower section labeled “Print Options” gives you the ability to preview any combination of the worksheets within the C100. Each selected sheet is properly formatted and displayed in a Preview window so that you can make any last minute adjustments before printing. It also allows you to turn off the shading and lines for a faster print.

Selecting worksheets: Select one or more of the worksheets by clicking on the Print Option checkboxes. The “Selected C100 Sheets Above” option will only be enabled when you have one or more C100 sheets selected in the “C100 Sheets” section. A check means the worksheet will be included.

Text only – no shading or lines option: When this option is checked, no lines or shading will be printed. This speeds up printing.

Print preview button: Press this button to preview your selections. You can make adjustments to the formatting and print your sheets from the preview window.

Press the “Cancel” button to close the C100 Tools screen.

For an electronic version of the C100, refer to OFM’s web site at:

<http://www.ofm.wa.gov/budget/capitalforms/excelinst.htm>.

Building the C100

1. General Items

- Information and cost data can only be entered in the white cells. Complete ONLY those blanks that apply to your project.
- If an item is estimated to have no cost or is not applicable to the project, leave blank or insert a “0.”

- If text is needed to explain a cost, explain under “Notes” at the bottom of the C100 worksheet.
- Blanks are provided to add items not listed on the form.

2. Specific Items

- Under **Project Schedule**, enter the month, day, and year for each phase. Cost adjustment factors for inflation are established by OFM. The C100 will automatically calculate the escalation multipliers and escalated costs.
- In the **Statistics** section, “**Primary**” and “**Secondary**” reference the construction work. Primary work is a new facility; secondary work is remodeling of an existing facility. Because of other automatic calculations in the C100, it is important to enter cost data in the correct and appropriate designations. If data is entered for primary and secondary construction, ensure all statistics are complete, along with the primary and secondary MACC.
- GSF is the “**Gross Square Feet**” of building area contained in the project based on American Institute of Architects (AIA) Document D-101, *The Architectural Area and Volume of Buildings*.
- NSF is the “**Net Square Feet**” area (sometimes called assignable square footage) of a structure that excludes stairwells, elevator shafts, corridors, toilet rooms, and wall thickness. The area should be measured from the predominant inside finish of permanent outer walls to the office side of corridors or permanent partitions, and to the centerline of walls separating adjacent assigned spaces. Where there are interior spaces surrounded by corridors, measurement shall be from the inside face of enclosing walls. Included should be space subdivisions for occupant use. Deductions should not be made for columns and structural projections necessary to the building or for partitions subdividing space.
- The ratio of NSF/GSF is referred to as the building’s “**Efficiency**” and is automatically calculated by the C100. It only applies to buildings. The chart below provides guidelines for various types of buildings.
- The agency’s program space is in terms of net (assignable) square feet (NSF) whereas the construction budget is in terms of gross square feet (GSF). The “**Estimated Cost per S.F.**” is automatically calculated by dividing the escalated maximum allowable construction cost by the GSF. The chart below provides guidelines for various types of buildings.

Efficiency Guidelines

Space Type	Percent Budget Range
General Government	
Office Buildings	75 – 80
Computer Facilities	60 – 65
Library Facilities	75 – 80
Auditorium	65 – 75
Cafeteria	65 – 70
Medical	50 – 60
Parking	90 – 95
Warehouse	90 – 95
Laboratory Facilities	55 – 60
Higher Education	
Teaching/Classrooms	65 – 70
Offices/Administration	75 – 80
Teaching/Laboratories	60 – 65
K-12 Facilities	
	80 – 85

Cost Guidelines

Space Type	\$/sf Average-Max
General Government	
General Office Buildings	150 - 250
Correctional Housing	280 – 320
Parking Structures	100 - 150
Warehouse	100 - 150
Other	55 - 60
Higher Education	
Teaching/Classrooms	170 - 230
Offices/Administration	150 – 250
Teaching/Laboratories	200 – 290

- Selection of a “**Building Type**” establishes the Architect/Engineer (A/E) fee class and associated basic design fee schedule. The C100 automatically enters the fee class and fee percentage.
- The check box “**Is project a remodel?**” adds 2 percent to the basic design service fees to compensate for the added complexity associated with as-built facilities.
- The “**Contingency Rate**” is an allowance for uncertainties associated with estimating costs for design services and construction. Contingency is generally estimated at 3 to 5

percent. The C100 Form will automatically apply the contingency rate to primary and secondary design service fees and Maximum Allowable Construction Cost (MACC).

- The “**Management Reserve**” is an allowance for unanticipated changes beyond control of the A/E, construction contractor, or owner. The reserved amount is a function of risk and uncertainty and may be non-existent for some projects; the typical range is 2 to 10 percent. Management reserve is automatically applied to the primary and secondary MACC in Form C100.
- “**Tax Rate**” is the sales tax rate for the location of the project.
- Most major capital projects are subject to allowances for artwork under RCW 43.17.200 or RCW 28B.10.027 for higher education institutions. Check the box “**Art Requirements Applies**” to automatically calculate the artwork allowance for all applicable projects. Higher education institutions should check the box “**Higher Ed. Institution**” to automatically calculate the artwork allowance on renovation or remodel projects.
- Check the box “**Project Admin by GA**” only if the project will be administered by the Department of General Administration (GA) Division of Engineering and Architectural Services (E&AS). Capital appropriations for cost to an agency/institution for project management/administration are limited to specific tasks (see Section 5). Agencies/institutions who are clients to E&AS receive no additional, separate capital appropriations for project management. (See Part 4 below.)
- “**Alternative Public Works Project**” checkbox identifies this project as qualifying and programmed to use alternative public works contract processes as defined in RCW 39.10. This checkbox allows entry for cost estimates associated with design-build and general contractor/construction manager types of contracts. (See Part 3 below.)
- The **Project Cost Summary** data is automatically retrieved from the appropriate sections of the C100.
- **Formula Override** options are available (as “white boxes”) for many cost entries throughout the C100 Form to allow for better, refined cost estimates. Generally, the override amounts should be less than the calculated amount. Provide explanation of all override entries in the “Notes” section at the bottom of the C100.
- **Acquisition Costs** include not only the cost of purchasing or leasing a site and/or facilities, but also all attendant costs necessary to prepare the property for agency use. The costs of site improvements, right-of-way, or conditions on the purchase/lease must be considered under the cost of acquisition if such items are required in order to prepare the property for its intended purpose. Although many of these costs may be deferred to a construction cost, they should be considered during the site evaluation process.
- **Consultant Services** are costs associated with architect and engineering (A/E) services from private consulting firms. **Basic Design Services** fees are automatically calculated by the C100 based on the selection for “Building Type.” The calculated fees are the maximum amount; lower amounts can be entered in the form. Several subheadings are included in the Consultant Services Section as a suggested listing of extra services that

may be required to design the project. Agencies may add specific A/E services in order to fully capture all services needed for a successful project. Extra service costs include: costs to comply with completing the Predesign Manual requirements and the Environmental Impact Statement (EIS), which is a study of the present and future impact of the project on the environment, residents, and the economy. Agencies should review State Environmental Policy Act (SEPA) Rules WAC 197-11 for more information. Refer to Appendix B, OFM's *Guidelines for Determining Architect/Engineer Fees for Public Works Building Projects* for details.

- **Construction Contracts** cost estimates are displayed using the *UNIFORMAT II — Standard Classification for Building Elements and Related Sitework System* (ASTM Standard E 1557). Using UNIFORMAT II ensures consistency in the economic evaluation of building projects over time and from project to project. “**Sitework**” costs are associated with site preparation and utility improvements external to the building footprint. “**Related Project Costs**” include on and off-site mitigation improvements imposed by local building/development jurisdictions. The elements listed on the C100 under “**Facility Construction**” are the UNIFORMAT II components common to most buildings. Project specific elements can be entered as well.
- The **Maximum Allowable Construction Cost (MACC)** is the summation of the cost estimates for the sitework, related project costs and facility construction.
- **Equipment** includes the costs of equipment and furnishings integral to the project. Equipment is not considered consumable and is obtained through contracts or the Office of State Purchasing within the Department of General Administration. Furnishings include items such as furniture, office equipment and other purchased items. Special construction items include the purchase and installation of office furniture, shelves, movable partitions, and any special program items that are not considered consumables and have a life expectancy of one year or more. See Section 4 for further guidance.
- **Other Costs** may include lease purchases, temporary utilities, security and/or escort services anticipated integral to the completion of a capital project. Costs of required permits and local jurisdiction fees (including building permit fees, plan check fees, impact and other permit fees) as appropriately imposed should be itemized in this section. (Do not include costs for permits, fees or bonds associated with the provisions of the general conditions of the public works construction contract since those costs are included in the estimates for the MACC.)

3. Alternative Public Works Contracts

Cost estimates associated with either the design-build or general contractor/construction manager (GC/CM) alternative public works contract methods should be specifically identified and itemized in the appropriate sections on Form C100.

- **Consultant Services Section—Extra Services, Separate Bid Packages.** The additional cost to the A/E for preparation of separate bid packages not included in the traditional design/bid/build process (GC/CM only).

- **Construction Contracts Section:**

GC/CM Risk Contingency—maximum amount of 5 percent of the MACC may be added to the GC/CM MACC (but not the A/E fees).

Preconstruction Services—maximum amount of 5 percent of the MACC may be added to the GC/CM MACC (but not the A/E fees) for participation in preconstruction design meetings, life cycle cost design considerations, value engineering, scheduling, design cost estimating, constructability review, project management services, devising alternative construction options for cost savings and planning for sequencing of the work.

Fee—estimate for the fixed percent fee bid by the GC/CM multiplied by the MACC.

Bid General Conditions—estimate for temporary work and fees performed by or paid by the GC/CM to accomplish the scope of work.

4. Engineering and Architectural Services

The Department of General Administration's Engineering and Architectural Services (E&AS) provides project management services to state agencies as required by RCW 43.19.450. E&AS project management services, for state agencies using GA for project management, are funded separately from the agency's capital budget request (except when the total project funding is greater than \$20 million or the funding is from a non-state source). The services are essential and mandated activities defined as core services and are included in the division's responsibilities and task list for general public works projects of normal complexity.

The department may negotiate agreements with agencies for additional fees to manage projects financed by financial contracts, other alternative financing, projects with a total value greater than \$20 million, or for the nonstate funded portion of projects with mixed funding sources. Additional fees for Engineering and Architectural Services should be included in the C100. Please contact the GA Division of Engineering and Architectural Service at (360) 902-7227 for an estimate of project management costs.

In addition, for agencies using E&AS for project management, if you intend to use formal alternative public works procedures such as Design-Build or General Contractor/Construction Management, additional project management costs may be required and should be included in the capital budget request. Please contact E&AS for an estimate of these supplemental project management costs.

Examples of Forms

Ten-Year Capital Program Summary – C1

Capital Project Request – C2

Capital Project Request Report Summary – Predesign C2

Agency/Institution Project Cost Summary and Project Cost Estimate – C100

Capital Budget Applicants Questionnaire (Growth Management Act)

Expected Use of Bond/COP Proceeds

Narrative Description of Backlog Reduction Plan

Annual Maintenance Summary Report

Budget and Allotment Support System (BASS) Security Maintenance

State of Washington
C1 - Ten Year Capital Program Summary

Budget Period: 2003-05
Agency: 105 Office of Financial Management
Version: VR BASS Practice

<u>Agency</u>	<u>Project by Fund/Appropriation Type</u>	<u>Estimated</u>	<u>Prior</u>	<u>Reapprop</u>	<u>New</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>
<u>Priority</u>		<u>Total</u>	<u>Expenditures</u>	<u>2003-05</u>	<u>2003-05</u>	<u>2005-07</u>	<u>2007-09</u>	<u>2009-11</u>	<u>2011-13</u>

Project Class: Preservation

0	2004-1-003 Department Omnibus Minor Works-BASS								
	057-1 State Bldg Constr-State	310,000			310,000				
0	2005-1-001 WWU: Dorm Retrofitting-BASS								
	057-1 State Bldg Constr-State	7,500,000			500,000	2,000,000	5,000,000		
	Project Total:	7,500,000	0	0	500,000	2,000,000	5,000,000	0	0
Total: Preservation		7,810,000	0	0	810,000	2,000,000	5,000,000	0	0

Project Class: Program

26	2003-2-001 Downtown Olympia Parking Garage								
	057-1 State Bldg Constr-State	8,000,000			80,000	800,000	7,120,000		
Total: Program		8,000,000	0	0	80,000	800,000	7,120,000	0	0

Project Class: Alternate Financing

0	2001-3-001 Records Center Expansion								
	241-1 COP Construction Acc-State	3,956,000			3,956,000				
	289-1 Thur Cty Capital Fac-State	344,000			344,000				
	Project Total:	4,300,000	0	0	4,300,000	0	0	0	0
Total: Alternate Financing		4,300,000	0	0	4,300,000	0	0	0	0

C1 - Ten Year Capital Program Summary

Budget Period: 2003-05
Agency: 105 Office of Financial Management
Version: VR BASS Practice

	Estimated <u>Total</u>	Prior <u>Expenditures</u>	Reapprop <u>2003-05</u>	New Approp <u>2003-05</u>	Estimated <u>2005-07</u>	Estimated <u>2007-09</u>	Estimated <u>2009-11</u>	Estimated <u>2011-13</u>
Total Fund Summary								
057-1 State Bldg Constr-State	15,810,000			890,000	2,800,000	12,120,000		
241-1 COP Construction Acc-State	3,956,000			3,956,000				
289-1 Thur Cty Capital Fac-State	344,000			344,000				
Total	20,110,000	0	0	5,190,000	2,800,000	12,120,000	0	0

Budget Period:

2003-05

Agency:

105 Office of Financial Management

Version:

VR BASS Practice

Project Number:

2001-3-001

Agency Priority:

0

Project Title:

Records Center Expansion

Description

Project Class:

3 Alternate Financing

City:

Olympia

Type of Project:

New Facilities/Additions (Major Projects)

County:

Thurston

OFM Priority:

Program need or Requirement

Legislative District:

022

Project was requested in a previous biennium:

Yes

Previous Project ID:

2000-2-003

Compliant with Growth Management Act:

Yes

Project Published Summary:

The Archives and Records Management Division operates the Records Center. The building was completed in 1992 as an addition to the Modular Building in Tumwater, a facility owned by General Administration (GA) on property GA leases from the Port of Olympia.

Project Description:

What is the project and where is it located?
This project is located in the Airdustrial Business Park in Olympia, Washington.

Operating Impact

Fund Code	Fund Title	Estimated					
		Total	<u>2001-2003</u>	<u>2003-2005</u>	<u>2005-2007</u>	<u>2007-2009</u>	<u>2009-2011</u>
001-1	General Fund-State	1,000,000	200,000	200,000	200,000	200,000	200,000
	Total Funds	1,000,000	200,000	200,000	200,000	200,000	200,000

Project Funding

Fund Code	Fund Title	Estimated Total	Expenditures		2003-05 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations
241-1	COP Construction Acc-State	3,956,000				3,956,000
289-1	Thur Cty Capital Fac-State	344,000				344,000
	Total Funds	4,300,000	0	0	0	4,300,000

Fund Code	Fund Title	Future Fiscal Periods			
		<u>2005-07</u>	<u>2007-09</u>	<u>2009-11</u>	<u>2011-13</u>
241-1	COP Construction Acc-State				
289-1	Thur Cty Capital Fac-State				
	Total Funds	0	0	0	0

C2 - CAPITAL PROJECT REQUEST

5/8/2002

Page 2 of 2

Budget Period: 2003-05
 Agency: 105 Office of Financial Management
 Version: VR BASS Practice

Project Number: 2001-3-001 Agency Priority: 0

Project Title: Records Center Expansion

Project Statistics

	<u>Total</u>	<u>Primary</u>	<u>Secondary</u>
Gross Square Feet	47,062	15,562	31,500
Net Square Feet	46,275	14,775	31,500
Efficiency	98.3 %	94.9 %	100.0 %
Escalated MACC Cost per Sq. Ft.	63	191	0

Project Schedule

	<u>Start Date</u>	<u>End Date</u>
Predesign		
Design	07/01/2000	10/01/2001
Construction	10/01/2001	09/01/2002

Cost Summary

	<u>Total Escalated Cost</u>	<u>% of Project</u>
Consultant Services	228,000	5.3%
Pre-Schematic Design Services		
A/E Basic Design Services	32,000	0.7%
A/E Extra Services/Reimbursables		
Other Services	178,000	4.1%
Design Services Contingency	18,000	0.4%
Construction	3,547,000	82.5%
MACC - Primary	2,967,000	69.0%
MACC - Secondary		
GC/CM Risk Contingency	342,000	8.0%
GC/CM or Design Build Contingencies		
Sales Tax	238,000	5.5%
Other	525,000	12.2%
Acquisition		
Equipment	202,000	4.7%
Equipment Tax		
Artwork		
Agency Project Administration	207,000	4.8%
Other	116,000	2.7%

TOTAL ESCALATED COST

4,300,000

CAPITAL PROJECT REQUEST REPORT SUMMARY				FORM Predesign C-2 (Rev. 6/20/01)	
Prepared By:		Phone Number:		Analysis Date:	

Agency Name					Agency Code	
Project Title					Type	Project Number
Plan Priority	OFM Priority	Previously Requested	County	City	Legislative District	
Was Project Included in Prior 10 Years?			If Yes, When?	Prev. Project #		

PROJECT DESCRIPTION		
a. Problem/Justification/Why is this project needed?		Project Mgmt by GA?
b. Proposed Solution/Benefit to public service, strategic goals?		Complies w/GMA?
c. Predesign Issues		
RELATED COSTS: Operating budget costs/savings required for this project including staff and cost of maintenance.		FTE's: Dollars per Fiscal Year:

PROJECT STATISTICS									
Project Life	Net Project Size (sq. ft.)			Gross Project size (sq. ft.)			Cost Per Gross Square Foot		
	New		Remodel	New		Remodel	New		Remodel
Building Type:									

Project Phases		Base Cost (7/02)	Project Schedule		Adjusted Capital Cost	
			Start	Complete	Percent	Cost
Acquisition Costs						
Design Consultant Services						
Construction Contract Costs:						
	MACC					
	% Contingency					
	% Tax					
Construction Subtotal						
Equipment (include tax)						
Artwork						
Other Costs						
Contract Administration						
Total Cost						

A. ROOM TYPES	Assign-able Sq. Ft.	Number of Stations (1)	FTEs (2)	Weekly Student Hours (3)	Room Utilization Rate (4)	Station Occupancy Ratio (5)
Classroom						
Dry Lab						
Wet Lab						
Computer Lab						
Faculty Office		N/A	N/A	N/A		N/A
Student Assembly		N/A	N/A	N/A		N/A
Non-Assignable Rooms		N/A	N/A	N/A	N/A	N/A

Definitions:
(1) Number of Stations = desks or lab stations
(2) FTE = Full-Time Equivalent Student
(3) Weekly Student Hours = student hours per week in room
(4) Room Utilization Rate = hours per week room is scheduled
(5) Station Occupancy Ratio = percent of stations used during

B. OPERATING AND MAINTENANCE COSTS	Dollars Per Year
Utilities	
Custodial	
Maintenance	
Security	
Landscaping and Ground Maintenance	
Liability and Hazard Insurance	
Tenant Improvements	
Capital Maintenance	
Management Fees	
Furniture	
Maintenance	
Telephone	
Data Processing	
Other Equipment	
Total Operating & Maintenance Cost	

CAPITAL PROJECT REQUEST REPORT SUMMARY		FORM Predesign C-2 (Rev. 6/20/01)
--	--	---

FORM
Predesign C-2
(Rev. 6/20/01)

	Est. Total	2001-03	2003-05	2005-07	2007-09	2009-11	2011-13
Annual Average FTEs (#)	\$ -						
General Fund=State	\$ -						
Total Funds	\$ -						

PROJECT FUNDING			
-----------------	--	--	--

[illegible]

STATE OF WASHINGTON
AGENCY/INSTITUTION PROJECT COST SUMMARY

Agency		
Project Name		
Project Number		

Contact Information	
Analysis Date	
Analysis By	
Contact Phone Number	

Statistics	Primary	Secondary	Total
Gross Square Feet	0	0	0
Net Square Feet	0	0	0
Efficiency	0%	0%	0%
Escalated MACC Cost per Sq.Ft.	0	0	0
Building Type			
Is project a remodel?			
A/E Fee Class			
A/E Fee Percentage			

Schedule	Start Date	End Date
Predesign (mm-yyyy)		
Design (mm-yyyy)		
Construction (mm-yyyy)		
Construction Duration (months)	0	

Cost Summary	
Project Phase	Escalated Cost
Project Total	\$0
Consultant Services	\$0
Pre-Schematic Design Services	\$0
A/E Basic Design Services	\$0
A/E Extra Services/Reimbursables	\$0
Other Services	\$0
Design Services Contingency	\$0
Construction	\$0
MACC - Primary	\$0
MACC - Secondary	\$0
GC/CM Risk Contingency	\$0
GC/CM or Design Build	\$0
Contingencies	\$0
Sales Tax	\$0
Other	\$0
Acquisition	\$0
Equipment	\$0
Equipment Tax	\$0
Artwork	\$0
Agency Project Administration	\$0
Other	\$0

Other Details	
Number of C100s Included in Summary	1
Alternative Public Works Project	No
State Construction Inflation Rate	3.00%
Base Month	Jul-2004
Project Administration by	
Project Admin Impact to GA that is NOT included in Project Total	\$0

STATE OF WASHINGTON
AGENCY/INSTITUTION PROJECT COST ESTIMATE

FORM
C100
Version 2.51
May 10, 2004

AGENCY:
PROJECT NAME:
PROJECT NUMBER:
LOCATION:

Analysis Date:
Analysis By:
Contact Phone #:

WARNING: Design & Construction dates are used to escalate costs. Some sections will have ZERO escalated costs when dates are missing! A Design Date is Missing! A Construction Date is Missing!

STATISTICS:	Primary	Secondary
Gross Square Feet		
Net Square Feet		
Efficiency	0%	0%
Estimated Cost per S.F.	0	0
Building Type:		
Is project a remodel?	No	No
A/E Fee Class		
A/E Fee Percentage:	0.00%	0.00%

Contingency Rate:	
Management Reserve:	
Tax Rate:	
Art Requirement Applies:	No
Project Admin by GA:	No
Higher Ed. Institution:	No
Alternative Public Works Project:	No

Project Schedule	Start Date	End Date
1. Predesign (m/d/yyyy):		
2. Design (m/d/yyyy):		
3. Construction (m/d/yyyy):		
4. Construction Duration (in Months):	0	
State Construction Inflation Rate:	3.00%	
Base Month:	Jul-2004	

Project Cost Summary	
Primary MACC (escalated):	\$0
Secondary MACC (escalated):	\$0
Current Project Total:	\$0
Escalated Project Total:	\$0

Includes Formula Overrides:	No
-----------------------------	----

ITEM	BASE MONTH AMOUNT	FORMULA OVERRIDE	STANDARD FORMULA	ESCALATION FACTOR	ESCALATED COST
A. ACQUISITION COSTS					
1 Purchase/Lease Cost					
2 Appraisal and Closing Costs					
3 Right-of-Way Costs					
4 Offsite Mitigation					
5					
INSERT <--Double-Click Here to Insert a Row					
Total: Acquisition Costs	\$0			1.0000	\$0
B. CONSULTANT SERVICES					
1 Pre-Schematic Design Services					
a. Programming/Site Analysis					
b. Environmental Analysis					
c. Predesign Study					
d.					
INSERT <--Double-Click Here to Insert a Row					
SubTotal: Pre-Schematic Design Services	\$0			0.0000	\$0
2 Construction Documents					
a. A/E Basic Design Services - Up to Bidding (69%)	\$0		\$0		
b. A/E Basic Design Services - Secondary (69%)	\$0		\$0		
SubTotal: Construction Documents	\$0			0.0000	\$0
3 Extra Services					
a. Civil Design (Above Basic Services)					
b. Geotechnical Investigation					
c. Commissioning					
d. Site Survey					
e. Testing					
f. Energy Conservation Report					
g. Voice/Data Consultant					
h. VE Participation & Implementation					
i. Constructability Review Participation					
j. Environmental Mitigation Services (EIS)					
k. Landscape Consultant					
l.					
INSERT <--Double-Click Here to Insert a Row					
SubTotal: Extra Services	\$0			0.0000	\$0
4 Other Services					
a. Bid/Construction/Closeout - 31% of basic services	\$0		\$0		
b. Bid/Construction/Closeout - Secondary	\$0		\$0		
c. HVAC Balancing					
d. Commissioning and Training					
e.					
INSERT <--Double-Click Here to Insert a Row					
SubTotal: Other Services	\$0			0.0000	\$0
5 Design Services Contingency		0.00%			
a.					
INSERT <--Double-Click Here to Insert a Row					
SubTotal: Design Services Contingency	\$0			0.0000	\$0
Total: Consultant Services	\$0				\$0

ITEM		BASE MONTH AMOUNT	FORMULA OVERRIDE	STANDARD FORMULA	ESCALATION FACTOR	ESCALATED COST
C. CONSTRUCTION CONTRACTS						
1	Site Work					
	a. G10 - Site Preparation					
	b. G20 - Site Improvements					
	c. G30 - Site Mechanical Utilities					
	d. G40 - Site Electrical Utilities					
	e. G60 - Other Site Construction					
	f.					
INSERT	<--Double-Click Here to Insert a Row					
	SubTotal: Site Work	\$0			0.0000	\$0
2	Related Project Costs					
	a. Off site improvements					
	b. City Utilities Relocation					
	c. Parking Mitigation					
	d. Stormwater Retention/Detention					
	e. Wetland Mitigation					
	f.					
INSERT	<--Double-Click Here to Insert a Row					
	SubTotal: Related Project Costs	\$0			0.0000	\$0
3A	Facility Construction - Primary					
	a. A10 - Foundations					
	b. A20 - Basement Construction					
	c. B10 - Superstructure					
	d. B20 - Exterior Closure					
	e. B30 - Roofing					
	f. C10 - Interior Construction					
	g. C20 - Stairs					
	h. C30 - Interior Finishes					
	i. D10 - Conveying					
	j. D20 - Plumbing Systems					
	k. D30 - HVAC Systems					
	l. D40 - Fire Protection Systems					
	m. D50 - Electrical Systems					
	n. F10 - Special Construction					
	o. F20 - Selective Demolition					
	p. General Conditions					
	q.					
INSERT	<--Double-Click Here to Insert a Row					
	SubTotal: Facility Construction - Primary	\$0			0.0000	\$0
	Maximum Allowable Construction Cost (MACC) - Primary	\$0				\$0
3B	Facility Construction -Secondary (By Building System)					
	a. A10 - Foundations					
	b. A20 - Basement Construction					
	c. B10 - Superstructure					
	d. B20 - Exterior Closure					
	e. B30 - Roofing					
	f. C10 - Interior Construction					
	g. C20 - Stairs					
	h. C30 - Interior Finishes					
	i. D10 - Conveying					
	j. D20 - Plumbing Systems					
	k. D30 - HVAC Systems					
	l. D40 - Fire Protection Systems					
	m. D50 - Electrical Systems					
	n. F10 - Special Construction					
	o. F20 - Selective Demolition					
	p. General Conditions					
	q.					
INSERT	<--Double-Click Here to Insert a Row					
	SubTotal: Facility Construction -Secondary (By Building System)	\$0			0.0000	\$0
	Maximum Allowable Construction Cost (MACC) - Secondary	\$0				\$0
4	GC/CM Risk Contingency - NOT APPLICABLE					
5	GC/CM or Design Build Costs - NOT APPLICABLE					
6	Construction Contingencies					
	a. Management Reserve	0.00%	\$0	\$0		
	b. Allowance for Change Orders	0.00%	\$0	\$0		
	c.					
INSERT	<--Double-Click Here to Insert a Row					
	SubTotal: Construction Contingencies		\$0		0.0000	\$0
7	Sales Tax	0.00%	\$0	\$0		
	a.					
INSERT	<--Double-Click Here to Insert a Row					
	SubTotal: Sales Tax		\$0		0.0000	\$0
Total: Construction Contracts			\$0			\$0
D. EQUIPMENT						
1	E10 - Equipment					
2	E20 - Furnishings					
3	F10 - Special Construction					
4						
INSERT	<--Double-Click Here to Insert a Row					
	SubTotal: Equipment		\$0		0.0000	\$0

ITEM			BASE MONTH AMOUNT	FORMULA OVERRIDE	STANDARD FORMULA	ESCALATION FACTOR	ESCALATED COST
99	Sales Tax	0.00%	\$0		\$0		
100							
INSERT	<--Double-Click Here to Insert a Row						
	SubTotal: Sales Tax		\$0			0.0000	\$0
Total: Equipment			\$0				\$0
E.	ARTWORK						
1	Project Artwork		N/A		N/A		
2	Higher Education Artwork		N/A		N/A		
3							
INSERT	<--Double-Click Here to Insert a Row						
Total: Artwork			\$0			1.0000	\$0
F.	OTHER COSTS						
1	Mitigation Costs						
2	Hazardous Material Remediation\Removal						
3							
INSERT	<--Double-Click Here to Insert a Row						
Total: Other Costs			\$0			0.0000	\$0
G.	PROJECT MANAGEMENT						
1	Agency Project Management		\$0		\$0		
2							
INSERT	<--Double-Click Here to Insert a Row						
Total: Project Management			\$0			1.0000	\$0
GRAND TOTAL			\$0				\$0
NOTES							

Capital Budget Applicants Questionnaire

1. Is your project in a county or city that is required to fully plan (according to RCW 36.70A.040) under the Growth Management Act? If the answer to this question is no, you do not have complete any more questions. ☐ YES ☐ NO
2. Is your project identified in the host county's or city's comprehensive plan? ☐ YES ☐ NO
3. Is your project identified in the host county's or city's capital facilities plan? ☐ YES ☐ NO
4. Is your project located in an identified urban growth area? (Please attach map showing project location and location of urban growth area) ☐ YES ☐ NO
5. If your project is located in an adopted urban growth area, does the project facilitate, accommodate, or attract planned for growth? ☐ YES ☐ NO
 - a. What entity has analyzed the impacts on planned for growth in the host city's or county's urban growth area (for example, your agency, the host jurisdiction, etc.)?
 - b. Is there a document that contains this information? If so, indicate document and attach the appropriate pages from that document? If not, attach an explanation.
6. If this project is located outside an urban growth area, will this project create pressures for additional development? ☐ YES ☐ NO
 - a. What entity has analyzed the impacts on planned for growth outside the urban growth area (for example, your agency, the host jurisdiction, etc.)?
 - b. Is there a document that contains this information? If so, indicate document and attach appropriate pages that contains this analysis. If not, attach an explanation.
7. Has there been coordination among the governments in the region during the development of this project? ☐ YES ☐ NO

Is there a document that contains this information? If so, indicate document and attach appropriate pages that contains this analysis. If not, attach an explanation.
8. What local and additional funds were leveraged, if any?
9. Were the environmental outcomes and the reduction of adverse impacts examined? ☐ YES ☐ NO

Is there a document that contains this information? If so, attach the appropriate pages from that document. If not, attach an explanation.

Expected Use of Bond/COP Proceeds

Agency #: _____ Contact Name: _____ Phone #: _____ Fund(s) #: _____ Project #: _____	Agency Name: _____ Fax #: _____ E-mail address: _____ Fund Name: _____ Project Title: _____
--	---

1. Will any portion of the project or asset ever be **owned** by any entity other than the state or one of its agencies or departments?

☐ Yes ☐ No

2. Will any portion of the project or asset ever be **leased** to any entity other than the state or one of its agencies or departments?

☐ Yes ☐ No

3. Will any portion of the project or asset ever be **managed or operated** by any entity other than the state or one of its agencies or departments?

☐ Yes ☐ No

4. Does the project involve a public/private venture, or will any entity other than the state or one of its agencies or departments ever have a **special priority or other right** to use any portion of the project or asset to purchase or otherwise acquire any output of the project or asset such as electric power or water supply?

☐ Yes ☐ No

5. Will any portion of the expenditures be **granted or transferred** to nongovernmental entities **or granted or transferred** to other governmental entities which will use the grant for nongovernmental purposes?

☐ Yes ☐ No

6. If you have answered "Yes" to any of the questions above, will your agency or any other state agency **receive any payments from any entity**, other than the state or one of its agencies or departments or any local government units, for the use of, or in connection with, the project or assets?

☐ Yes ☐ No

7. Will any portion of the project or asset, or rights to any portion of the project or asset, ever be **sold** to any entity other than the state or one of its agencies or departments?

☐ Yes ☐ No

8. Will any portion of the expenditures be **loaned** to nongovernmental entities **or loaned** to other governmental entities that will use the loan for nongovernmental purposes?

☐ Yes ☐ No

- **If the answer to any one of questions 1 through 5 is yes and answers to 6, 7 and 8 are no, request tax exempt funding.**
- **If the answer to any one of questions 1 through 5 is yes and 6 is yes, request taxable funding from Fund 355.**
- **If the answer to all of questions 1 through 6 are no and the answer to either question 7 or 8 is yes, request taxable funding from Fund 355.**

Keep this form on file. If the Office of the State Treasurer, Bond Counsel or the Office of Financial Management have questions, this form may be requested.

NARRATIVE DESCRIPTION OF BACKLOG REDUCTION PLAN

Agency _____ Contact _____ Phone _____

Please provide complete narrative answers to each of the following questions.

1. Please describe your agency's maintenance preservation plan. Is it based on a standardized building/facility condition assessment process and applied to each of your locations?
2. Have all of your facilities and locations been accessed and the preservation needs integrated into the plan? What remains, and what is the time frame for integrating all facilities into a standardized assessment process?
3. What criteria is used to set maintenance project priorities and explain the process you have to update and integrate new projects into the plan, or remove unnecessary projects from the current list.
4. Is your process for establishing and monitoring preservation needs complete, or is it still in development? What remains, and what is the time frame for integrating all facilities into a standardized assessment process?
5. How did you determine the amount of project requests for each biennium in the maintenance preservation backlog reduction plan? At what point will your facilities reach what you consider an acceptable condition level?
6. On a separate page, list your prioritized capital preservation projects, estimate of project cost and fund source for each project. This list should specify each project in the first three biennia of the Capital Plan, and types of projects for the last two biennia.

**State of Washington
Office of Financial Management
Annual Maintenance Summary Report**

Page 1 of 3

AGENCY/INSTITUTION _____ **DATE** ____/____/____

COMPLETED BY _____ **TITLE** _____

PHONE NUMBER () ____-____

The document is completed using statewide definitions of terms adopted by OFM. Condition assessment categories are consistent with those in the OFM Facility Inventory System. Information contained herein represents the best approximation of costs and FTEs available.

BACKGROUND

1. State Owned Facilities

Number of Campuses/Sites	Number of Facilities	Gross Square Feet

2. What facilities are scheduled to be brought on line this biennium?

Facility Name	Function	Gross Square Feet	Occupancy Date

3. Square feet of facilities in each of the following categories based on condition definitions in the attachment to this policy.

Age (*)	Superior	Adequate	Needs Improvement	Vacant or Demolition	No Assessment
Less than 10 years					
Between 10 and 30					
Over 30 years					

* Based on date of construction or latest date of a major remodel.

FACILITY MANAGEMENT

4. Expenditure history over the past year for state owned space (*).

	Operating	Capital	Total	\$/GSF
Maintenance				
Preventative/Predictive		N/A		
Corrective		N/A		
Preservation	N/A			
Utility Cost		N/A		

*Above costs do not include janitorial, landscape maintenance, and other operating costs such as refuse and recycling, parking management, boiler plant operations, law enforcement and security, property management, visitor information, tour services, fire protection and life safety services, etc.

**State of Washington
Office of Financial Management
Annual Maintenance Summary Report**

Page 2 of 3

AGENCY/INSTITUTION _____ **DATE** ____/____/____

5. Do you operate a computerized maintenance management program? ☐ Yes ☐ No
System Name _____

6. Identify state funded operating budget FTEs
- | | |
|--------------------------------|-------------------------|
| Prior year maintenance staff | _____ (FTE) |
| Current year maintenance staff | _____ (FTE) |
| Future year maintenance staff | _____ (FTE - estimated) |

7. What is the percentage of infrastructure in each of the following categories?

	Superior	Adequate	Needs Improvement
	%	%	%
Roads and Walks			
Sewers			
Water Distribution			
Steam and Condensation			
Other			

8. Are there any specific operating budget maintenance initiatives, or capital budget preservation initiatives being undertaken this biennium? ☐ Yes ☐ No

9. Additional Comments?

This form is to be filled out by agencies that have more than 150,000 gross square feet of state owned space. In addition, agencies with multiple program locations will also be asked to complete a separate maintenance survey for each site/institution with more than 150,000 gross square feet of state owned space.

State of Washington
Office of Financial Management
Annual Maintenance Summary Report

Page 3 of 3

Definitions to be used for questions 3 and 7.

FIS Condition Code	Description	General Criteria/Guideline
1	Superior	<ul style="list-style-type: none">• New construction, major remodel, or recently refurbished systems and finishes.• Maintained adequately with routine maintenance• Little or no corrective maintenance required• Little or no deferred maintenance
2	Adequate	<ul style="list-style-type: none">• Finishes are generally worn but major systems and overall facility is in reasonable shape• Maintained adequately with routine maintenance• Some minor works projects proposed to upgrade system components and finishes• Beginning to see some corrective maintenance• Relatively small amount of deferred maintenance
3	Needs Improvement	<ul style="list-style-type: none">• Facility has potential for imminent systems failure or is facing large repair cost• Facility requires substantial maintenance effort• Increased demands for corrective maintenance• Substantial deferred maintenance
4	Vacant Building	<ul style="list-style-type: none">• Facility may be minimally occupied or used for a less technical requirement, i.e., storage• The future use or demolition of the facility has not be determined, facility may be salvageable• Facility is maintained to a limited degree (mothballed), but is kept dry and heated• Major amount of deferred maintenance
5	Scheduled for Demolition	<ul style="list-style-type: none">• Occupied or vacant and scheduled for replacement or demolition within 10 years• Only maintenance or repairs are those that are absolutely necessary for public safety or for continued limited use
9	No Assessment Made	<ul style="list-style-type: none">• No condition assessment has been made• This is the default entry in the Facility Inventory System if a rating is not supplied

This form is available electronically at: <http://www.ofm.wa.gov/budget/instructions/allotment/maintsum.doc>

State of Washington
Office of Financial Management
Accounting and Administrative Services Division
Statewide Financial Systems

**BUDGET AND ALLOTMENT SUPPORT SYSTEM (BASS)
SECURITY MAINTENANCE**

Leave shaded areas blank

Select Systems:	Security Level			Action	
	Budget Ops	Edit Access	Read Only	Add Access	Delete Access
Performance Measure Tracking Estimates System (PMTES)					
Automated Upload Transaction Option (AUTO)					
Budget Reporting System (BRS) <i>(formerly VRS)</i>					
BPS1 Extract					
Budget Development System (BDS)					
Capital Budgeting System (CBS)					
Salary Projection System (SPS)					
Data Release to OFM:					
<input type="checkbox"/> PMTES <input type="checkbox"/> BDS <input type="checkbox"/> CBS					
State Intranet Access (if you can access swfs.ofm.wa.gov, you have access).					

User Identification:

Login ID: ** |_|_|_|_|_|_|_|_|_|_|_|_|_|_| (Required only for new BASS users)

** First five characters are agency code (3), sub-agency code (1) and reserved for future use (1) (default to 0). (eg. 10500 is OFM)

Next eight characters at agency discretion with first three characters required (local area network ID is recommended).

Agency Code #: |__|__|__|__| Agency Name: _____

User Name: _____

Telephone: () FAX: ()

E-Mail Address: _____

Requested by: _____ Date (mm/dd/yyyy): ____/____/____

Telephone #: () _____ Effective Date (mm/dd/yyyy): ____/____/____

Approval (REQUIRED):

Approval Signature: _____

Approval Name (please print): _____

Telephone #: () _____ Date (mm/dd/yyyy): ____/____/____

Send **original** form to:

*Financial Systems Security Administrator
OFM Accounting & Statewide Financial Systems
PO Box 43113
Olympia, WA 98504-3113*

For prompt service, FAX completed form to (360) 586-3964. **Please also send the original form.**

(OFM USE ONLY)

Product Manager Approval: _____ Date: _____

User record entered by: _____ Date: _____



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